Daily Report

Central Eurasia

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Central Eurasia

FBIS-SOV-96-148 *31 July 1996*

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***Russia: Second Round Voting Results Published**

964F2867A Moscow ROSSIYSKAYA GAZETA in Russian 16 Jul 96 pp 5-6

[Consolidated Table of Votes by RF Central Electoral Commission: "Data on the Records of the Electoral Commissions of Components of the Russian Federation on the Results of the Run-Off Voting To Choose the President of the Russian Federation on 3 July 1996"]

[FBIS Translated Text] **Number of records of the electoral commissions of RF components, on the basis of which the consolidated table was compiled — 89.**

Numbers of rows and data of records of the electoral commissions of the components of the Russian Federation and district electoral commissions of electoral precincts formed outside the limits of the RF territory	Total	Designation of RF Components					
		Republic of Adygea	Republic of Altay	Republic of Bashkortostan	Republic of Buryatia	Republic of Dagestan	Republic of Ingushetia
1. Number of electors entered on the list of electors, including electors additionally entered on the lists	108,600,730	340,508	131,097	2,851,338	689,933	1,208,348	113,849
2. Number of ballots issued to district electoral commissions	105,829,539	339,428	128,212	2,833,243	647,846	1,148,179	114,687
3. Number of ballots issued to electors in electoral precincts on the day of the elections	71,200,562	208,376	87,241	2,216,248	400,043	872,533	93,033
4. Number of ballots issued to electors voting away from the voting premises	3,615,336	12,595	5,805	81,180	26,454	26,446	1,973
5. Number of ballots voided	31,013,641	118,457	35,166	535,815	221,349	249,200	19,681
6. Number of ballots contained in the portable electoral boxes (with the exception of ballots in non-regulation form)	3,613,497	12,594	5,805	81,105	26,448	26,250	1,973

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		Designation of RF Components					
7. Number of ballots contained in stationary electoral boxes (with the exception of ballots in non-regulation form)	71,093,148	208,227	87,190	2,213,878	399,420	868,736	92,977
8. Total number of valid ballots	73,926,240	217,386	91,610	2,244,406	419,760	879,723	93,642
9. Total number of ballots recognized as invalid	780,405	3,435	1,385	50,577	6,108	15,263	1,308
10. Number of ballots containing no marks for any position	103,175	258	191	3,093	671	900	12
11. Last name, first name and patronymic of candidates for the position of President of the Russian Federation entered on the ballot	12. Number of electoral votes given for each candidate						
1. Yeltsin, Boris Nikolayevich	40,208,384	76,146	40,026	1,170,774	192,933	471,231	75,768
2. Zyuganov, Gennadiy Andreyevich	30,113,306	133,665	48,057	990,148	210,791	401,069	14,738
13. Number of votes of electors against all candidates	3,604,550	7,575	3,527	83,484	16,036	7,423	3,136
[a] Number of electors voting in electoral precincts bystrike-off certificates	1,483,340	1,542	841	33,394	3,391	2,014	28
[b] Number of electors who received strike-off certificates at electoral precincts	1,834,467	1,546	893	42,541	5,243	1,637	6

	Designation of RF components								
	Kabardino-Balkar Republic	Republic of Kalmykia	Karachay-Cherkessia Republic	Republic of Karelia	Republic of Komi	Republic of Mari El	Republic of Mordovia	Republic of Sakha (Yakutia)	Republic of North Ossetia-Alania
1.	513,132	200,806	296,321	580,909	791,846	550,715	692,878	601,252	441,614
2.	504,162	201,180	294,098	477,065	781,026	549,930	690,266	487,752	410,917

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	Designation of RF components								
3.	392,340	132,807	207,839	362,406	463,925	352,387	493,661	394,322	300,836
4.	16,739	14,642	12,510	17,669	15,955	26,479	29,106	30,581	11,630
5.	95,083	53,731	73,749	96,990	301,146	171,064	167,499	62,849	98,451
6.	16,732	14,640	12,509	17,665	15,950	26,476	29,102	30,555	11,602
7.	390,953	132,671	207,449	361,728	462,990	352,229	493,401	394,175	299,462
8.	402,552	145,788	216,412	376,334	474,051	373,801	504,220	418,751	305,373
9.	5,133	1,523	3,546	3,059	4,389	4,904	18,283	5,979	5,691
10.	224	127	295	509	907	758	1,020	600	374
11.	12. Number of electoral votes given for each candidate								
1.	259,313	103,515	109,747	251,205	308,250	194,301	238,441	274,570	133,748
2.	135,287	39,354	101,379	100,104	134,224	199,872	249,451	126,888	164,308
13.	7,952	2,919	5,286	25,025	31,577	19,628	16,328	17,293	7,317
[a]	1,447	762	1,882	8,772	6,114	5,283	7,970	7,241	1,220
[b]	1634	1,138	2,373	10,001	13,732	5,927	8,149	16,685	1,545

	Designation of RF components								
	Republic of Tatarstan (Tatarstan)	Republic of Tyva	Udmurt Republic	Republic of Khassia	Chechen Republic	Chuvash Republic-Chavash Republic	Altay Kray	Krasnodar Kray	Krasnoyarsk Kray
1.	2,632,389	171,742	1,156,145	396,347	503,671	962,349	1,953,564	3,904,612	2,145,968
2.	2,609,619	149,671	1,023,728	343,591	499,487	961,488	1,934,171	3,831,923	2,125,617
3.	1,967,392	104,572	714,025	236,475	343,508	620,028	1,253,774	2,440,174	1,380,607
4.	73,109	11,474	29,756	11,030	33,541	27,596	57,534	106,160	52,588
5.	569,118	33,625	279,947	96,086	122,438	313,864	622,863	1,285,589	692,422
6.	73,104	11,474	29,743	11,028	33,539	27,595	57,527	106,140	52,583
7.	1,966,122	104,449	713,272	236,382	341,864	619,671	1,252,925	2,436,381	1,378,426
8.	1,986,081	112,763	735,502	245,215	371,516	632,702	1,297,847	2,521,524	1,418,022
9.	53,145	3,160	7,513	2,195	3,887	14,564	12,605	20,997	12,987
10.	3,212	171	1,249	239	625	2,692	1,657	3,326	1,694
11.	12. Number of electoral votes given for each candidate								
1.	1,253,121	73,113	392,551	116,729	275,455	205,959	505,270	1,116,007	764,633
2.	658,782	37,227	302,649	116,644	80,877	405,129	727,548	1,308,765	572,555
13.	74,178	2,423	40,302	11,842	15,184	21,614	65,029	96,752	80,834

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	Designation of RF components								
[a]	20,584	461	9,059	2,340	12	9,089	14,386	41,133	15,649
[b]	26,766	619	11,761	1,863	38	9,670	16,268	20,830	24,819

	Designation of RF components								
	Maritime Kray	Stavropolsk Kray	Khabarovsk Kray	Amur Oblast	Arkhangelsk Oblast	Astrakhan Oblast	Belgorod Oblast	Bryansk Oblast	Vladimirov Oblast
1.	1,586,108	1,870,996	1,106,030	700,393	1,058,566	735,471	1,098,946	1,114,079	1,250,544
2.	1,567,804	1,863,822	1,107,465	690,912	947,590	728,629	1,092,219	1,110,288	1,219,849
3.	969,854	1,274,431	700,652	435,900	670,298	459,142	778,140	753,843	768,685
4.	35,240	68,771	31,122	23,778	32,271	30,316	50,776	35,822	49,451
5.	562,710	520,620	375,691	231,234	245,021	239,171	263,803	320,623	401,713
6.	35,231	68,765	31,108	23,774	32,258	30,267	50,266	35,822	49,448
7.	968,176	1,271,773	699,444	435,642	669,451	458,814	777,868	753,604	767,699
8.	994,107	1,327,962	725,013	455,683	695,496	484,514	819,355	781,240	809,486
9.	9,300	12,576	5,539	3,733	6,213	4,567	8,779	8,186	7,661
10.	1,170	1,776	785	353	1,176	926	1,294	1,182	1,241
11.	12. Number of electoral votes given for each candidate								
1.	524,428	548,749	430,870	186,867	448,477	229,153	300,481	286,515	421,352
2.	395,463	722,889	246,378	243,823	194,704	233,738	485,024	467,552	342,077
13.	74,216	56,324	47,765	24,993	52,315	21,623	33,850	27,173	46,057
[a]	12,530	15,979	7,173	4,327	16,291	7,280	8,538	9,125	25,243
[b]	18,616	16,852	10,589	6,626	24,409	8,525	9,248	8,478	15,232

	Designation of RF components								
	Volgograd Oblast	Volgoda Oblast	Voronezh Oblast	Ivanovo Oblast	Irkutsk Oblast	Kalin-ingrad Oblast	Kaluga Oblast	Kamchatka Oblast	Kemerovo Oblast
1.	2,006,436	989,121	1,968,924	957,311	1,802,839	724,343	839,267	274,830	2,169,590
2.	1,963,278	962,629	1,935,554	957,634	1,770,692	695,080	825,529	263,320	2,146,195
3.	1,338,493	596,109	1,253,712	604,720	1,069,053	486,777	552,217	156,691	1,308,503
4.	57,438	71,241	103,238	52,655	31,513	15,151	46,642	5,235	59,917
5.	567,347	295,279	578,604	300,259	670,126	193,152	226,670	101,394	777,775
6.	57,424	71,225	103,240	52,647	31,448	15,146	46,639	5,231	59,913
7.	1,336,770	595,568	1,252,218	604,152	1,067,544	485,933	551,384	156,524	1,306,770
8.	1,383,648	661,979	1,344,396	651,407	1,084,661	496,935	592,987	160,545	1,352,182

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	Designation of RF components								
9.	10,546	4,814	11,052	5,392	14,331	4,144	5,036	1,210	14,501
10.	1,619	831	1,639	1,178	1,602	679	859	223	2,056
11.	12. Number of electoral votes given for each candidate								
1.	616,368	426,532	501,114	349,443	578,469	289,088	290,595	99,980	567,751
2.	703,784	189,989	781,260	256,556	437,105	177,077	272,592	47,664	704,322
13.	63,496	45,458	62,022	45,408	69,087	30,770	29,800	12,901	80,109
[a]	16,945	18,582	22,468	12,382	6,932	6,734	21,858	1,513	10,560
[b]	16,776	17,560	23,669	12,129	10,498	6,927	12,113	3,554	13,043

	Designation of RF components								
	Kirov Oblast	Kostroma Oblast	Kurgan Oblast	Kursk Oblast	Leningrad Oblast	Lipetsk Oblast	Magadan Oblast	Moscow Oblast	Murmansk Oblast
1.	1,201,171	598,475	786,547	1,010,449	1,344,260	948,106	166,632	5,417,224	763,877
2.	1,200,059	597,837	785,768	1,003,935	1,255,153	947,009	146,775	5,195,014	734,685
3.	783,079	382,765	541,189	678,407	883,132	601,105	98,140	3,690,403	421,969
4.	56,751	34,972	26,193	34,357	48,584	71,607	5,804	149,055	11,129
5.	360,229	180,100	218,386	291,171	323,437	274,297	42,831	1,355,556	301,587
6.	56,746	34,970	26,193	34,351	48,519	71,603	5,801	148,955	11,118
7.	782,370	382,498	540,739	678,026	881,722	600,483	97,968	3,685,974	421,524

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	Designation of RF components								
8.	831,229	414,110	561,496	702,638	924,118	665,139	103,066	3,803,184	429,916
9.	7,887	3,358	5,436	9,739	6,123	6,947	703	31,745	2,726
10.	1,594	545	828	1,363	1,185	884	106	4,715	643
11.	12. Number of electoral votes given for each candidate								
1.	425,465	208,163	246,097	258,183	570,702	259,529	65,965	2,462,197	303,401
2.	348,835	178,238	284,731	419,756	300,501	378,393	28,573	1,146,348	94,664
13.	56,929	27,709	30,668	24,699	52,915	27,217	8,528	194,639	31,851
[a]	13,959	7,928	7,858	9,229	58,809	9,156	760	206,460	5,907
[b]	15,154	6,989	8,640	8,939	20,440	6,549	2,323	131,527	28,029

	Designation of RF components									
	Nizhegorod Oblast	Novgorod Oblast	Novosibirsk Oblast	Omsk Oblast	Orenburg Oblast	Orel Oblast	Penza Oblast	Perm Oblast	Pskov Oblast	Rostov Oblast
1.	2,860,893	584,018	2,039,828	1,525,989	1,595,245	686,945	1,168,541	2,022,676	656,216	3,295,420
2.	2,777,908	571,065	2,001,147	1,527,652	1,590,584	685,768	1,170,888	1,965,575	652,668	3,266,505
3.	1,782,012	374,667	1,326,014	1,072,921	1,049,053	458,564	805,418	1,253,084	402,237	2,266,788
4.	91,243	38,533	39,853	40,778	33,430	41,369	40,102	65,623	78,928	146,211

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	Designation of RF components									
5.	904,653	157,865	635,280	413,953	508,101	185,835	325,368	646,868	171,503	853,506
6.	91,234	38,531	39,849	40,769	33,424	41,367	40,089	65,620	78,924	145,657
7.	1,778,234	374,297	1,323,944	1,071,818	1,047,660	458,339	804,316	1,251,775	401,921	2,261,105
8.	1,850,360	409,829	1,349,120	1,100,123	1,069,676	495,526	836,287	1,303,949	476,913	2,385,022
9.	19,108	2,999	14,673	12,464	11,408	4,180	8,118	13,446	3,932	21,740
10.	3,619	602	1,515	1,322	1,428	664	1,366	2,411	536	3,278
11.	12. Number of electoral votes given for each candidate									
1.	967,307	244,129	596,564	514,384	441,163	160,162	299,780	933,294	217,500	1,219,594
2.	791,738	140,329	666,878	528,562	583,090	316,213	497,773	310,546	231,201	1,063,135
13.	91,315	25,371	85,698	57,177	45,423	19,151	38,734	60,109	28,212	102,293
[a]	37,073	12,467	19,577	13,417	8,545	5,941	10,832	22,458	13,731	27,653
[b]	42,212	6,329	22,994	16,738	9,454	5,851	11,299	26,712	7,485	36,148

	Designation of RF components									
	Ryazan Oblast	Samara Oblast	Saratov Oblast	Sakhalin Oblast	Sverdlovsk Oblast	Smolensk Oblast	Tambov Oblast	Tver Oblast	Tomsk Oblast	Tula Oblast
1.	1,031,496	2,455,498	2,042,831	461,110	3,452,336	887,257	980,607	1,268,488	744,010	1,440,510
2.	1,005,922	2,468,073	2,017,431	447,106	3,353,810	877,105	963,683	1,239,113	737,369	1,441,628
3.	666,939	1,690,626	1,439,791	276,763	2,160,154	568,228	605,125	820,463	472,574	956,391
4.	69,017	64,559	70,667	9,848	86,105	45,919	63,066	89,124	18,520	68,552
5.	269,966	712,888	506,973	160,495	1,107,551	262,958	295,492	329,526	246,275	416,385
6.	69,004	64,482	70,658	9,847	86,101	45,917	63,062	89,108	18,518	68,834
7.	666,459	1,687,462	1,437,533	276,403	2,158,460	567,740	604,663	819,514	471,917	955,094
8.	728,888	1,737,163	1,491,281	283,458	2,226,627	608,667	661,843	902,235	485,107	1,012,886
9.	6,575	14,781	16,910	2,792	17,934	4,990	5,882	6,387	5,328	11,042
10.	818	2,215	2,006	540	2,766	892	943	1,143	904	2,055
11.	12. Number of electoral votes given for each candidate									
1.	313,087	910,134	664,799	152,795	1,726,549	234,125	217,499	455,731	290,199	536,783
2.	379,626	747,946	753,173	111,085	401,515	345,190	419,639	396,627	165,241	421,169
13.	36,175	79,083	73,309	19,578	98,563	29,352	24,705	49,877	29,667	54,934
[a]	23,756	35,329	28,665	1,735	38,498	12,722	9,798	35,651	6,177	23,434
[b]	18,809	45,251	35,422	3,742	51,219	11,552	6,387	21,379	9,737	21,632

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	Designation of RF components									
	Tyumen Oblast	Ulyanovsk Oblast	Chelyabinsk Oblast	Chita Oblast	Yaroslavl Oblast	City of Moscow	City of St. Petersburg	Jewish Autonomous Oblast	Agin-Buryatia Autonomous District	Komi-Permyatskiy Autonomous District
1.	915,585	1,093,057	2,667,324	827,378	1,100,070	6,672,788	3,659,544	141,466	44,231	102,567
2.	897,564	1,090,365	2,539,386	828,247	1,091,890	6,452,572	3,438,351	141,323	43,663	101,826
3.	580,976	733,953	1,793,650	487,653	699,859	4,617,236	2,348,944	86,722	25,319	62,600
4.	35,097	25,107	59,014	26,485	73,647	92,611	38,992	6,078	3,990	7,717
5.	281,491	331,305	686,722	314,109	318,384	1,742,725	1,050,415	48,523	14,354	31,509
6.	35,089	25,105	58,998	26,468	73,643	92,537	38,988	6,078	3,990	7,717
7.	580,102	733,161	1,789,728	486,595	699,293	4,603,571	2,343,789	86,567	25,310	62,590
8.	608,673	748,806	1,826,132	506,510	766,932	4,665,341	2,375,206	91,588	28,843	69,428
9.	6,518	9,460	22,594	6,553	6,004	30,767	7,571	1,057	457	879
10.	796	1,250	2,789	789	1,031	5,402	1,524	139	81	138
11.	12. Number of electoral votes given for each candidate									
1.	343,391	286,860	1,081,811	209,803	467,896	3,629,464	1,759,950	45,791	14,405	44,136
2.	234,743	426,778	646,306	269,359	243,526	842,092	502,533	40,464	13,839	22,908
13.	30,539	35,168	98,015	27,348	55,510	193,785	112,723	5,333	599	2,384
[a]	7,552	12,896	26,872	3,393	24,846	170,093	77,373	1,006	224	629
[b]	7,810	15,481	35,978	5,109	25,792	408,261	165,731	1,041	257	668

	Designation of RF components								
	Koryak Autonomous District	Nentskiy Autonomous District	Taymyrskiy (Dolgano-Nenetskiy) Autonomous District	Ust-Ordynsk-Buryatskiy Autonomous District	Khanty-Maisiyskiy Autonomous District	Chukotsk Autonomous District	Zvenkiyskiy Autonomous District	Yamalo-Nenetskiy Autonomous District	Precincts formed outside the limits of the Russian Federation
1.	21,889	28,606	28,920	82,814	814,664	52,771	12,852	271,902	540,520
2.	20,261	27,327	29,102	83,132	810,377	58,060	13,060	266,382	333,641
3.	13,494	17,438	15,746	56,514	475,994	35,555	7,336	164,120	233,680
4.	1,360	1,934	2,114	3,114	21,512	4,993	683	15,758	22,302

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	Designation of RF components								
5.	5,407	7,955	11,242	23,504	312,871	17,512	5,041	86,504	77,659
6.	1,360	1,934	2,114	3,113	21,441	4,993	683	15,742	22,272
7.	13,493	17,435	15,741	56,501	475,096	35,404	7,336	163,956	233,210
8.	14,680	19,140	17,720	58,640	491,660	40,174	7,954	178,230	254,150
9.	173	229	135	974	4,877	223	65	1,468	1,332
10.	23	31	13	55	383	43	10	155	244
11.	12. Number of electoral votes given for each candidate								
1.	10,364	11,919	12,787	29,014	368,650	30,009	5,273	142,458	160,085
2.	3,401	5,596	3,851	28,016	100,303	7,730	2,273	27,272	80,114
13.	915	1,625	1,082	1,610	22,707	2,435	409	8,500	13,951
[a]	72	172	167	409	8,698	420	84	2,875	18,960
[b]	276	422	1,125	255	30,485	2,694	221	29,159	4,232

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CIS: ITAR-TASS Carries Press Review for 31 Jul

LD3107090796 Moscow ITAR-TASS in English 0603 GMT 31 Jul 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, July 31 (ITAR-TASS) — Follows a review of Wednesday's Moscow-based Russian newspapers dated July 31.

ROSSIYSKIYE VESTI carries an intereview with Russia's First Vice-Premier Oleg Lobov under the headline "Chechnya should not be conquered, it should be taken peacefully".

"The fate of this Republic and its people can only be decided on a legal constitutional ground," Lobov tells a correspondent. "It can get as much sovereignity as it can digest, so to say, it can be granted any authorities, but as an integral part of Russia," he emphasizes.

According to the first vice-permier, peaceful construction in Chechnya should be given top priority - by carrying out reforms in the agrarian sector and in the sphere of services, as well as by restructuring the industrial sector.

KRASNAYA ZVEZDA carries an article on a recent attempt on the life of Aslan Maskhadov, the cheif of staff of the Chechen armed formations.

The article gives an opinion of the acting commander of the joint federal forces, Konstantin Pulikovsky, who says that information about the assasination bid is a "political game" played by the Chechen separatists. "This is a prevailing point of view in the military circles," the article emphasizes. The recent sudden reappearance of Salman Raduev on the military-political scene gives the leaders of the so-called republic of Ichkeria an oportunity "to preserve the policital face, in case they have to sit down at the negotiating table."

ROSSIYSKAYA GAZETA dwells on the energy crisis in the Maritime region.

The energy crisis is one of the main reasons for the visit to the Maritime region by a delegation of the Russia Is Our Home faction headed by faction leader in the State Duma Sergey Belayev. The parliamentarians are due to meet with power engineers of the Primorskaya Power Plant, now on a hunger strike, as well as with the workers of the Primorskugol coal company, on strike over back wages.

"We must not let the energy sector die in the Far East, as it is a region strategically important for Russia," Belayev believes.

ROSSIYSKAYA GAZETA focuses on the land issue in Russia.

"When the State Duma agrarians were submitting a Land Code bill to the Russian Federation Council for approval they sincerely believed that its concept had won support in the regions. They believed that restrictions on the land circulation and thus a private ownership of land had been allergedly approved there. However, it turned out that the situation was far from that," the newspaper writes.

KOMSOMOLSKAYA PRAVDA runs an article under the headline "Whether a space flight out of turn is possible?"

"The Russian cosmonautics is facing a sensation. It has just become known that cosmonaut number 3 Yelena Kondakova goes to NASA to be trained for a Shuttle flight, despite the worked out plan of international cooperation," the newspaper writes.

RABOCHAYA TRIBUNA runs an article about the 0-157 bacteria which has caused an epidemic of poisoning in Japan.

The newspaper correspondent asks Health Ministry spokesman Yuri Fedorov whether Russia should also fear the epidemic. According to Fedorov, there is nothing to fear. Last year there was an outbreak of diseases caused by the 0-157 bacteria but "the epidemic was of a local character but we managed to quickly curb it," Fedorov says.

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Russia: Chernomyrdin on NATO Expansion, Relations With Neighbors

LD3107103796 Moscow Mayak Radio Network in Russian 0600 GMT 31 Jul 96

[FBIS Translated Text] Speaking in Moscow to Russian ambassadors to the CIS countries, Viktor Chernomyrdin made the point that, as long as conflict, terrorism, militant nationalism, and territorial claims exist, it is essential to make efforts to create a lasting collective security system. Over to Mayak's observer Igor Minayev.

[Minayev] It was, perhaps, the first time that the Russian premier had so bluntly formulated Moscow's attitude towards the former Soviet republics, when he called them "an area of Russia's vital interests." There is no element of imperial designs here; there is just common sense — the desire to have friendly relations with our nearest neighbors to ensure favorable conditions for internal development and rule out the possibility of foreign armies appearing on our borders.

It is not hard to imagine the West's reaction to Viktor Chernomyrdin's speech. Under cover of touching slogans about protecting the CIS countries from Russia's supposed imperial designs, the United States is, in fact, assuming the role of overlord, acting on the "divide and rule" principle, and setting neighbors at loggerheads in order to weaken them.

Back in 1994, U.S. Secretary of State Christopher called Central and Eastern Europe an area of U.S. vital interests. If Russia, in turn, tried to make such a statement about Mexico or Brazil, for example, then we would see a real commotion! Latin America is thousands of kilometers away from us, but then Europe is no closer to the United States.

In support of the need for NATO's eastward advance, the Americans declare that, if that happens, Europe will be safeguarded against influences of any kind. As for the United States' own influence, that does, as it were, go without saying.

Of course, the degree of pressure on Russia will depend on the position of our neighbors in the post-Soviet space. Moscow can count on Minsk. It is common knowledge that President Lukashenka is a staunch opponent of NATO's march to the east. The Baltic countries, on the other hand, long to join the alliance and are even indignant that the process is taking so long.

As for Ukraine, everything here is more complicated. On the one hand, INTERFAX reported from Kiev that, at a Foreign Ministry collegium, President Kuchma called stability in relations between Ukraine and Russia — and I quote — "not only the touchstone of Ukraine's national interests, but also the basis for security in the European and world space" — unquote. On the other hand, Kiev has made no move to sign the CIS collective security treaty. At the OSCE [Organization for Security and Cooperation in Europe] summit in Stockholm, Ukraine rejected Russia's proposal that an OSCE security council should be set up. At the economic forum in Salzburg, Kuchma stated that he regarded NATO's eastward expansion as possible, and that he was prepared to agree to Ukrainian associate membership of the alliance in exchange for a NATO undertaking not to site nuclear weapons on the territory of the new members. Just try sorting out the subtleties of our neighbor's foreign policy!

But these realities cannot be ignored. The Russian authorities and diplomats should probably also be a bit quicker off the mark and ought to be conducting a more active dialogue with Ukraine. For instance, a wide-ranging treaty of friendship and cooperation has still not been signed with Ukraine. One was recently signed with China, and such treaties exist with many other states, but not with Ukraine. Whatever schemes are put together and whatever plans are drawn up, no effective collective security system in the region is possible without Ukraine's participation.

Russia: Kokoshin on NATO Expansion After Russian Election

MK3007111496 Moscow MOSKOVSKIYE NOVOSTI in Russian 28 Jul-4 Aug 96 No. 30, (signed to press 29 Jul 1996) p 9

[Interview with Andrey Kokoshin: "Why Make the Bear Rear?"]

[FBIS Translated Text] MOSKOVSKIYE NOVOSTI has turned to Andrey Kokoshin [Russian deputy defense minister] with a question on how the NATO expansion problem looks following the reelection of Boris Yeltsin.

[Kokoshin] The rejection of NATO expansion was not merely the president's preelection stance. Such a rejection reflects Russia's long-term course, aimed at upholding its national interests. I am certain that neither we, nor NATO countries, nor Eastern Europe need expansion of the alliance. It is out of keeping with the new modality of international relations; it is an extension of the old security plans; and it is built on the idea of filling the vacuum left by the collapse of our three empires: in the "third world," on the territory of the USSR itself, and in Eastern Europe. Our opponents are acting under these conditions according to the classic plan and run the risk of getting a classic response.

It was, perhaps, Churchill who said that Russia is never as strong as it would like to appear, but it is never as

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weak as it appears from the sidelines. Thus Russia will find resources to respond to a military threat. It is harder for us to mobilize ourselves for economic recovery, for accumulating national wealth. The Russian bear rearing is something the world saw more than once in the past.

Some new geopolitical combinations are also possible. Far from everybody in the Asia-Pacific region like the NATO expansion idea. Nor are the United States and Europe really one on this matter although views in favor of expansion seem to prevail. Many major political figures in Western Europe take a clearly negative stance on this question.

The way the Russian election went off and the new level of political stability in Russia influence the situation surrounding NATO expansion. We already have signs of this.

Not all was done as it should have been by the Russian side with regard to countries of Central and Eastern Europe. We paid insufficient attention to these countries in 1992-1993. Our diplomacy has since become more active in this regard, but time was largely wasted. Military-technical cooperation developed weakly although these countries have lots of our weapons. We should have approached in a more delicate way these countries' security interests. Earlier we went over their head to discuss NATO expansion with the Germans and with the Americans. The East Europeans would rather this discussion had been conducted with their participation, and they are right.

An active search is currently under way for a new system of European security, one which would rule out NATO expansion but which would take into account the interests of countries of Central and Eastern Europe. One should stress, within the framework of this search, a system of projects in such fields as transport, communications, power engineering, telecommunications — projects which would link up all of Europe from the British Isles to the Urals. This would be the organic fiber, which would in real terms guarantee security and stability on the continent. This potential has been insufficiently used so far. This is an alternative to decisions such as NATO's eastward expansion. If developed, such projects would make it possible to avoid a confrontation, that no one needs.

Russia: Primakov, Kovalev on Terrorism, Cooperation

LD3007182096 Moscow Russian Television Network in Russian 1600 GMT 30 Jul 96

[From the "Vesti" news cast with announcer Svetlana Sorokina]

[FBIS Translated Text] Representing Russia at the [Group of Seven] summit in Paris are Foreign Minister Yevgeniy Primakov and Federal Security Service director Nikolay Kovalev.

[Begin recording] [Correspondent Kipras Mazheyka, to Primakov] Yevgeniy Maksimovich, do you think there is a link between Chechnya and international terrorism?

[Primakov] There is indeed a direct link. Who do you think supplies weapons to Chechnya? Some weapons do, of course, come from Russia, of that I am quite sure, but there are also channels through which weapons are being brought in from abroad. Next, the mercenaries — this is the reality.

[Kovalev] We are for the first time raising the issue of close cooperation in countering terrorism with scientific and technical means. There are specific proposals, specific projects, and if they are accepted by the Eight, then efficiency in combating terrorism is bound to increase, I believe. [video shows the two interviewed by the correspondent in a lobby] [end recording]

Russia: Moscow 'Ready To Work Out' Antiterrorist Recommendations

MM3007151796 Moscow ROSSIYSKAYA GAZETA in Russian 31 Jul 96 p 7

[Report by Nikolay Paklin under the "Planet Against Violence" rubric: "'Big Eight' Threaten Terrorists"]

[FBIS Translated Text] Paris — To reach agreement at the political level on collaboration between states to fight international terrorism — that was the aim of the one-day conference of the "Big Eight" (Britain, Germany, Italy, Canada, Russia, the United States, France, and Japan) held in Paris 30 July. Taking part in it were foreign ministers and the heads of the ministries and departments whose job it is to fight international terrorism. The day before the conference Academician Yevgeniy Primakov, head of the Russia foreign policy department, arrived in the French capital on a special flight.

The discussion of questions at the conference took place behind closed doors. This is understandable. The subject discussed by ministers is a delicate one. But on the eve of the sessions the U.S. President, who was "humiliated"

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by the terrorists at the Atlanta Olympics despite extraordinary security measures, appealed to Europe to impose severe sanctions on those countries which, in Washington's opinion, are involved in international terrorism. He specifically named Iraq, Iran, Libya, and Sudan. But West Europeans are disinclined to impose sanctions, at least on Iran and Libya. They prefer to conduct above all a political dialogue with these countries.

On the domestic front B. Clinton decided to try to get the Senate to pass a law which would oblige U.S. explosives producers to introduce "chemical identifiers" into their products. In the event of an offense, these elements would give specialists a better chance of following the chain by which terrorists obtain explosives. It cannot be ruled out that the Russian side raised the question of "Chechen terrorism" for discussion in one form or another.

"Russia is ready to work out practical recommendations which could form an effective basis for cooperation in the fight against terrorism not only among the eight participating states but also among the entire international community," a high-ranking Russian foreign policy department official said. "There is a multitude of unresolved questions. For example, the extradition of terrorists. Russia has still not signed the European Convention on the Extradition of Criminals, neither have we any corresponding agreements with a number of states. But this must not hinder the fight against terrorists at the international level."

Russia: Germany's Kinkel Calls For Extensive Autonomy for Chechnya

LD3007142396 Moscow INTERFAX in English 1324 GMT 30 Jul 96

[FBIS Transcribed Text] MOSCOW, July 30 (Interfax) — German Foreign Minister Klaus Kinkel, meeting his Russian counterpart Yevgeniy Primakov in Paris on Monday, called for granting extensive autonomy to Chechnya within the framework of the Russian Constitution.

A report released by the German Embassy in Moscow today quotes Kinkel as voicing anxiety at the resumption of hostilities in Chechnya after the presidential elections in Russia.

This conflict, Kinkel says, can only be resolved by political means, proportionate to human rights.

The report also quotes Kinkel as urging both sides "to make use of the good lofty services of the OSCE [Organization for Security and Cooperation in Europe] mission in Chechnya and its leader Tim Guldimann and to return to the negotiating table on the basis of the Moscow and Nazran accords."

For his part, the Russian foreign minister reiterated his government's desire to settle the Chechen conflict through talks. However, that is being hindered by terrorist actions both in and outside Chechnya.

The ministers "agreed that the OSCE should further play its important part of mediator in quest for peace, and the OSCE in Chechnya should function as usual."

Russia: Primakov, UK's Rifkind Discuss NATO, Peace in Bosnia

LD3007195296 Moscow ITAR-TASS World Service in Russian 1855 GMT 30 Jul 96

[By ITAR-TASS correspondent Igor Shchegolev]

[FBIS Translated Text] Paris, 30 Jul — Russian Foreign Minister Yevgeniy Primakov and Malcolm Rifkind, British secretary of state for foreign and commonwealth affairs, today discussed the development of relations between Russia and NATO and the strengthening of the peace process in Bosnia. They met within the framework of the international conference on terrorism being held here.

The Russian side confirmed its readiness to conduct a dialogue with NATO in its present composition but not with an expanded NATO, Primakov told Russian journalists. He said that, for his part, Rifkind spoke in favor of avoiding a situation in which "new demarcation lines" could appear in Europe.

Having discussed the situation in the Balkans, the ministers agreed that it was necessary to start thinking how to organize a system of government after the forthcoming elections in Bosnia-Herzegovina, which consists of the Croat-Muslim and the Serb entities. Primakov and Rifkind believe that the international Contact Group, which performed well during the previous stages of the Bosnian settlement, should be involved in the settlement of this issue. The Contact Group consists of Russia, Great Britain, the United States, Germany, and France.

Russia: FSB's Kovalev Cited on Antiterrorism Summit

MM3107084096 Moscow KRASNAYA ZVEZDA in Russian 31 Jul 96 p 3

[Article by Vadim Markushin: "'Absolute Priority' on the Agenda in Paris"]

[FBIS Translated Text] It is as though the recent terrorist acts at all ends of the earth had been organized on purpose to confirm the topicality of the conference

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which opened in the French capital Tuesday [30 July]. Explosions in the Olympic city of Atlanta, in Kashmir, and in the capitals of Algeria and Peru were added to the sinister list. In Caracas terrorists blew up the car of a general engaged in the fight against the drugs mafia and extremist groupings. The bombers missed their mark. The general was not nearby at that moment. On the other hand, others were — eight citizens who happened to be nearby were injured by the powerful explosion.

Today the struggle against terrorism is called the "absolute priority" of the world community. Although the international legal lexicon still lacks a definition of terrorism that is acknowledged by everyone, no one doubts in principle any longer the need for joint efforts and careful coordination of actions by political and power structures on this front.

The ministers of foreign affairs and the ministers in charge of security problems in the countries of the "political eight" intend to define specific steps to counter terrorism. In particular, it is reported that they might discuss the beefing up of national legislation and changes to the current approaches to the mutual exchange of information, the granting of asylum, and the extradition of accused people.

Russia has prepared its own proposals for the Paris conference. Its representative — Nikolay Kovalev, director of the Federal Security Service [FSB] — has called these proposals "a fine-tuned action program." He also told the press that on the eve of the conference he had signed an agreement with French Interior Minister Jean-Louis Debre on cooperation between the FSB and the French DST [Directorate for Territorial Oversight] service. The accord provides, in particular, for an exchange of information on terrorist organizations and specific terrorists, as well as for technical cooperation. For example, the French special services might be interested in Russian gas analysis equipment to detect explosives. The Russian ones might be interested in using French robots to render explosive devices harmless.

In N. Kovalev's opinion, this kind of cooperation should be developed on the international level as a whole. He said that Russia has a lot of developments in the sphere of the technology of the struggle against terrorists but lacks the funds to put them into practice. Law enforcement organs must unite in their actions against the criminal world, which has already united, the director of the Russian Federation FSB believes.

Meanwhile, Arab countries have also drawn up a strategy for combating terrorism. A conference has been organized in Cairo with the participation of specialists in this sphere from 16 states. A code for combating terrorism, which has been described as "a growing threat to the whole world and to the Arab region in particular," is expected to be approved. At the same time many participants in the Arab conference focus attention on the need to draw a distinction between terrorism and "the peoples' legitimate struggle for national self-determination."

This position, which is widespread not only in the Arab region but also in other regions, will evidently long remain a stumbling block on the path to an international consensus in the sphere of antiterrorism. For the majority of countries, including Russia, take a very unequivocal attitude to terrorist acts in general. They are described as crimes for which there is no justification on any national, religious, ethnic, or other grounds.

Russia: IZVESTIYA on Seleznev Delegation's Trip to Cuba

MM3007173396 Moscow IZVESTIYA in Russian 30 Jul 96 p 3

[Report by Yevgeniy Bay: "Cuba Treating Sugar Problem With Cocaine"]

[FBIS Translated Excerpt] Having called for an expansion of "traditionally fraternal relations," the delegation of Russian parliamentarians headed by [State Duma Chairman] Gennadiy Seleznev left the Isle of Freedom without mishap. It had spent four days there, which coincided with the republic's national holiday.

Although this year the celebrations were overshadowed for the Cuban leader by two unpleasant pieces of news. On the holiday itself, 26 July, the UN Security Council, following a long debate, condemned the actions of the Cuban authorities in ordering the shooting down in February this year of two private aircraft belonging to Cuban emigres from Miami. [passage omitted]

The second unpleasant piece of news for the comandante was also from the cradle of American imperialism. The day before the holiday, the leading Florida paper, THE MIAMI HERALD, reported that several arrested drug dealers had all admitted that top Cuban officials had helped them transport a large consignment of cocaine to Florida via Cuban territory. [passage omitted]

Cuba also features as one of the leading suppliers of cocaine on our Russian lists. The latest survey by the Administration To Combat Customs Offenses says that in two cases where drug couriers arriving on flights from Havana were arrested some 9.3 kg of cocaine were seized (compare that with four couriers from Panama carrying 8.9 kg). Of course, that is nothing compared with Miami, but then the market there is

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bigger. Although here too the consumption of this drug is on the increase.

New prospects for business links were not discussed, of course, during the talks in Havana between the Duma leader and the "father of all Cubans." Seleznev merely welcomed the fact that the exchange of sugar for oil has resumed between Cuba and Russia.

This is certainly gratifying news, although we would point out that one-half of the deal (two Russian companies have equal shares in it) is stumbling along, while the other half has ceased altogether. The "Alfa-Eko" company, which is responsible for the other half, offered the Cubans even better financial terms for next year. They have just replied: "We don't want it."

But perhaps we have to accept this and start taking what is on offer? And stop accusing the Caribbean partner of lacking business acumen? After all, sugar and cocaine even look similar.

Russia: Moscow Fails To Back UN Decision on Cuban Aircraft Incident

LD3007171496 Moscow INTERFAX in English 1704 GMT 30 Jul 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, July 30 (Interfax) — The Russian and Chinese delegations in the U.N. Security Council abstained during the July 26 vote on the Security Council's resolution on the incident regarding two planes of the Brothers to the Rescue U.S.-based organization of Cuban emigrants shot down by the Cuban Military Air Force.

The Russian side "did not consider it possible" to support this resolution because the draft resolution prepared by the United States was "obviously unbalanced from both the political point of view and the point of view of international law," the Russian Foreign Ministry said in a press release.

The resolution "fails to ensure an appropriate balance between two basic principles: the non-use of arms against civil aircraft and the non-use of aircraft for illegal purposes," the Russian Foreign Ministry said.

While insisting on the first of the two principles, the authors did not deem it necessary to reflect the meaning of the second principle in an appropriate fashion, the press release reads.

Thus, the resolution "muted the original reason for the incident but emphasized its consequences," the Russian Foreign Ministry said.

However, it has been generally acknowledged that "the flights carried out by the Brothers to the Rescue organization and their purposes can hardly be considered as corresponding with the tasks for the use of civil aviation under the Chicago Convention," the Foreign Ministry said.

"Russian representatives in the U.N. Security Council, together with other delegations, insistently called on the U.S. colleagues to continue constructive work to agree on an acceptable text of the draft resolution," reads the press release.

"Unfortunately, our approach did not meet with due understanding and the draft's authors preferred to force a vote on the resolution," said the Russian Foreign Ministry.

Russia: Yeltsin Approves Ratification of Agreement With Lebanon

LD3007145796 Moscow INTERFAX in English 1341 GMT 30 Jul 96

[FBIS Transcribed Text] MOSCOW, July 30 (Interfax) — Russian President Boris Yeltsin signed a law Tuesday on the ratification of an agreement between the governments of Russia and Lebanon on trade and economic cooperation, Russian presidential press office told Interfax.

The agreement was signed in Beirut on March 31, 1995.

Deputy Russian Foreign Economic Relations Minister Vladimir Karastin said the agreement creates the legal basis for new economic relations between Russia and Lebanon.

According to him, "business cooperation between the two countries has significantly reduced in the past years and lost the necessary legal aspects due to the complicated internal situation in Lebanon.

"Russian-Lebanese trade and economic relations can now receive an impetus on the basis of mutual interests," said Karastin.

"The intergovernmental agreement guarantees the most-favored-nation regime in mutual trade and in what relates to export and import tariffs and all kinds of import duties," he said.

Under the agreement, each side is to provide a non-discriminating regime to exported goods, both on their quantity and on issuing licenses, said Karastin.

Freedom of navigation, simpler proceedings of cargo registration and transit are also included in the sphere of mutual preferences, he said.

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"The legal basis will allow Moscow and Beirut to develop broad business cooperation in various areas of the economy," he said.

"Beirut expressed the desire that the Russian side participate in reconstruction of Lebanon's infrastructure destroyed by war," said Karastin.

Lebanese businessmen, for their part, are prepared to make significant investments in the Russian economy, in particular, in upgrading Russian oil refineries, he said.

Russia: Joint Project Agreed With Iran To Build Port on Caspian Sea

LD3007130196 Moscow INTERFAX in English 1241 GMT 30 Jul 96

[FBIS Transcribed Text] MOSCOW, July 30 (Interfax) — Russia and Iran have agreed to build a port on the Caspian Sea, Russia's Transport Minister Nikolay Tsakh has said.

The port will be built in the coastal village of Olya, 90 kilometers away from Astrakhan. When commissioned, it will be moving about 10 million tonnes of cargo a year.

Tsakh said that a Russian-Iranian joint venture would be established to finance the project. Russia will control a 65 percent share, and Iran, 35 percent. The agreement provides for the free access of Iranian ships to the port of Makhachkala, Dagestan. Under the same agreement Russian experts will take part in building floodgates and canals in Iran.

Russia: Government Decree on Munster Talks Process

MM3107085296 Moscow ROSSIYSKAYA GAZETA in Russian 30 Jul 96 p 4

[Russian Federation Government decree No. 740, signed by Russian Federation Government Chairman V. Chernomyrdin and dated Moscow, 24 June 1996: "On Implementing the Recommendations of the Fourth 'East-West' International Conference of Ministers of the Economy, Industry, and Trade,"]

[FBIS Translated Text] In order to develop the export of Russian goods and attract foreign investment into the Russian economy, the Russian Federation Government decrees that:

1. An interdepartmental commission to elaborate the Russian Federation's position on the questions being discussed within the framework of the "East-West" Munster talks process involving ministers of the economy, industry, and trade (hereinafter the Commission) is to be formed.

Russian Federation Economy Minister Ye.G. Yasin is appointed chairman of the interdepartmental commission to elaborate the Russian Federation's position on the questions being discussed within the framework of the "East-West" Munster talks process involving ministers of the economy, industry, and trade.

The appended statute on the interdepartmental commission to elaborate the Russian Federation's position on the questions being discussed within the framework of the "East-West" Munster talks process involving ministers of the economy, industry, and trade and its composition [not published in ROSSIYSKAYA GAZETA] are approved.

2. The Commission is to:

notify the interested federal executive branch organs, the Russian Federation Chamber of Trade and Industry, and the Russian Union of Industrialists and Entrepreneurs of the recommendations of the fourth "East-West" international conference of ministers of the economy, industry, and trade (hereinafter the Fourth "East-West" Conference), which took place 3-5 March 1996 in Baltimore City (United States of America);

implement measures aimed at providing an opportunity to hold an "East-West" international conference of ministers of the economy, industry, and trade in the city of Moscow.

3. The Russian Federation Ministry of the Economy and other interested federal executive branch organs are to take the Fourth "East-West" Conference's recommendations into consideration when preparing forecasts and Russian Federation socioeconomic development programs.

4. The Russian Federation Chamber of Trade and Industry and the Russian Union of Industrialists and Entrepreneurs are instructed to organize a discussion of the recommendations of the business forum that took place within the framework of the Fourth "East-West" Conference and submit proposals on their implementation to the Commission.

5. The Commission is responsible for coordinating the work of federal executive branch organs within the framework of the "East-West" Munster talks process involving ministers of the economy, industry, and trade (hereinafter the Talks Process).

6. The Russian Federation Ministry of the Economy is to approve annually the estimated expenditure (in rubles and foreign currency) associated with welcoming and providing hospitality for foreign delegations and holding talks abroad within the framework of the Talks Process,

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within the limits of the appropriations for maintaining this ministry's central apparatus.

The Russian Federation Ministry of Finance is to make annual provision in the draft federal budget for the funds needed by the Russian Federation Ministry of the Economy to carry out work within the framework of the Talks Process.

[Signed] Russian Federation Government Chairman V. Chernomyrdin
[Dated] Moscow, 24 June 1996

Russia: Moscow 'Not Ready' To Answer Estonia's Pskov Inquiry

LD3007173496 Moscow INTERFAX in English 1705 GMT 30 Jul 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, July 30 (Interfax) — Moscow is not yet ready to respond to the Estonian Foreign Ministry's inquiry about the establishment by Russia of a restricted zone in the Pskov region on the border with Estonia and Latvia.

"A reply will be sent to Estonia after the Pskov regional authorities provide corresponding explanations," a high-ranking Russian diplomat told Interfax Tuesday.

He said an inquiry will be sent to the administration of the Pskov region following the receipt of the Estonian Foreign Ministry's note by the Russian Embassy in Tallinn a few days ago.

He also said that the Estonian note did not contain any protest and merely requested explanations. "I don't think there is any problem here. If Russia had really made a serious violation, our neighbors' response would have been absolutely different," he said.

In June 1996, the administration of the Pskov region established a five-kilometer restricted zone along the border with Estonia and Latvia.

Tallinn intends to establish how the measure may affect the simplified border-crossing regime existing in the area and the legal status of Estonian citizens living there, the Estonian Foreign Ministry press office told Interfax last Friday.

The diplomat believes that this move was of a purely internal nature and will not in any way affect the movement of people in the border region.

"The Russian authorities have the right to take any measures on Russian territory on the condition that these measures have no impact on our international commitments," he said.

A Russian-Estonian agreement on simplified border crossing is at the finishing stage, said the source.

However, the sides have informal agreements envisaging simplified border crossing for certain categories of citizens wishing to visit relatives, cemeteries, churches, etc., he said.

The diplomat said Russia will strictly abide by these agreements.

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Political Issues

Russia: Yeltsin Attaches 'Great Importance' to Regional Elections

LD3107114596 Moscow INTERFAX in English 1120 GMT 31 Jul 96

[FBIS Transcribed Text] MOSCOW, July 31 (Interfax) — President Boris Yeltsin and Kremlin Chief of Staff Anatoliy Chubays met at a government retreat outside Moscow on Wednesday to discuss administration changes and forthcoming elections of regional governors.

The administration's coordinating role in the coming elections was also discussed, Yeltsin's press office told Interfax.

The Russian leader spoke of attaching great importance to the regional elections and said he would be closely following them.

On presidential decrees, Yeltsin demanded an improvement in the quality of proposed decrees, though ways of approving them must be simplified.

The inauguration ceremony, due next Friday, was also high on the agenda.

Russia: Yeltsin Sees Normalization of Coal Industry as Priority

LD3007113596 Moscow INTERFAX in English 1127 GMT 30 Jul 96

[FBIS Transcribed Text] MOSCOW, July 30 (Interfax) — Russian President Boris Yeltsin attaches priority importance to normalizing the situation in the coal industry, presidential press secretary Sergey Medvedev told Interfax.

Commenting on the discussion of this issue by the president and Prime Minister Viktor Chernomyrdin on Tuesday, Medvedev said that Yeltsin had instructed the government to take urgent measures to repay the wage debt to the miners and solve their social problems. Money is already being sent to the coal-mining regions.

He also quoted the president and the prime minister as saying that local authorities should be more active in tackling the problems facing the coal industry and broaden direct contacts between coal-production enterprises and consumer branches, including the energy complex.

Russia: Chubays To Head Yeltsin's Inauguration Commission

LD3007150596 Moscow INTERFAX in English 1458 GMT 30 Jul 96

[FBIS Transcribed Text] MOSCOW, July 30 (Interfax) — Russian President Boris Yeltsin has appointed Anatoliy Chubays, his chief of staff, to head the commission which is setting the scene for Yeltsin's second inauguration, the presidential press service says.

Former presidential chief of staff Nikolay Yegorov has been dismissed from chairmanship of the commission.

The inauguration is scheduled for August 9.

Russia: Chernomyrdin, Zhirinovskiy Discuss Government-Duma Interaction

LD3007155596 Moscow INTERFAX in English 1544 GMT 30 Jul 96

[FBIS Transcribed Text] MOSCOW, July 30 (Interfax) — Russian Prime Minister Viktor Chernomyrdin on Tuesday [30 July] met with Liberal Democratic Party of Russia leader Vladimir Zhirinovskiy as part of his regular consultations with leaders of State Duma factions, Chernomyrdin's spokesman Viktor Konnov told INTERFAX.

Chernomyrdin and Zhirinovskiy considered interaction between the government and the State Duma, the spokesman said. He said the prime minister would continue to meet with the leaders of the Duma's factions.

Russia: Federation Council Speaker Stroyev Interviewed

MM2907163096 Moscow TRUD-7 in Russian 26 Jul-1 Aug 96 p 4

[Interview with Russian Federation Council Chairman Yegor Stroyev by Yuriy Lepskiy and Olga Solomonova under the "Man After Socialism" rubric; place and date not given: "'I Believe Only in Life'"]

[FBIS Translated Text] [TRUD-7] You know, when we talked with people before the presidential elections, we were often asked: "Are you sure your rubric will still be relevant after 3 July?" The point being that if the pro-Communist bloc had won, the country would have returned to its former path and Russians would have once again found themselves "under socialism." But the elections are over, and the rubric has survived, along with the new Russian course of reform. But now, we think, is precisely the time to think about those whose hopes crumbled, who voted for Zyuganov. There are quite a few of them, and they are our compatriots, our

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people. What is to become of these people? Will they never be able to adapt to the new circumstances, will they remain in perpetual opposition to the new Russian course and the new life? Will this rift running through the Russian people never disappear in the foreseeable future?

[Stroyev] The question you ask has long since been removed from the agenda by all states that have traveled the path of democratic transformations. But at the beginning of that path they experienced the same problems we are experiencing today. What does this indicate? That sooner or later in our country social confrontation will end, the contradictions will abate, and the rift you speak of will heal. Having said that, today we must, we have an obligation to treat with the utmost care and attention the people whose hopes were not vindicated by the election results. It doesn't matter how many of them there are — 40 percent or just 4 percent. I cannot regard the people who voted for Zyuganov simply as stupid or hostile because I realize that their reaction to the changes in Russia is natural. After all, it is a question of a fundamental change in our lives and the familiar system. And to believe that the whole country, as one man, would hasten to "hoist up its trousers and run after the Komsomol [Communist Youth League]" would be naive, to say the least. After all, the point is not who personally voters supported in these elections: Zyuganov or Yeltsin. This time one section of the population voted in favor of not turning aside from the new road. They have already adapted to this new path, and, some honestly and some not all that honestly, have obtained their own advantages on this path. The other section has made nothing out of the [privatization] voucher or the shares issued in exchange for the voucher, and on top of that has possibly lost its job. It is this section that entered the elections with a sense of grievance, a sense of injustice, and a feeling of having been duped. It was these feelings that voted 3 July. Can they be maintained in people today? Certainly not! At all costs we must help people to strengthen their spirit, change their social status for the better, and support them....

[TRUD-7] But how can we do this?

[Stroyev] First, we must support production and give people jobs — jobs where wages are paid every month, not sporadically. There is no need to invent anything specially here or dream up anything — we simply need to give people the opportunity to improve their own lives themselves, by their own efforts. We must not hamper them in this, but help them. Then we will very swiftly realize that there is no opposition to the new course among the people.

[TRUD-7] Even in the "Red belt"?

[Stroyev] Incidentally, what you call the "Red belt" is in fact Russia's heartland. Its independence has always been defended here ever since the 9th century, it is an extremely fertile chernozem zone, with a peasantry raised from the earliest times in a natural agricultural way of life. When in 1917 attempts were made to forcibly confiscate bread from the peasants, a peasant uprising known as the "Antonov rebellion" immediately flared up. Later, under Khrushchev, considerable resources of equipment and people were transferred from here to the virgin lands....

Where are those virgin lands now? We must realize that any attempt to disrupt the natural course of life and to subordinate it either to an idea or to the will of a politician will evoke a natural protest here. And, conversely, if you allow people to work calmly on their own land, if you allow peasants to sell the fruits of their labors at a worthy price, you will see the knot of the "Red belt" undo itself and disappear forever. The region will become a great ally of the return to a natural economic life and will always oppose the forcible implantation of any political aims from on high. I see this region as the heartland of reform.

[TRUD-7] Yegor Semenovich, when we were preparing for our conversation with you we read the following about you in one political handbook — "in opposition to Yeltsin." Admittedly, it was a five-year-old handbook. In fact our question boils down to this: How have your views evolved over these years, have they changed fundamentally? After all, life itself has changed very swiftly....

[Stroyev] Yes, quite right. It would have been strange to remain unchanged amid a changing life. If a person ceases to change along with the surrounding world, he is simply dead. Of course, there have been some changes in me over this time, although I am by no means young. However, the fact that my hard-won, precious convictions have remained unchanged is equally natural for me. For instance, the following belief: Always and in everything trust life itself above all and follow it. Do not invent human interests, but try to understand and grasp those that already exist....

I can tell you that I proposed that the USSR Supreme Soviet adopt a law on ownership of land way back when it was not customary even to think about this. The draft law included the right of possession, the right of free disposal, and the right to inherit land. Before anyone was talking about private farming our Orel region already had private farms on both the Swedish and German patterns.

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You know, you must always try to grasp what life wants, which way it is flowing, and always follow it, go with the flow. Even if in the process you are destined to run up against political obstacles. Of course, there are people who never run up against any obstacles. They are like rooks: They caw on one branch, and if you frighten them they settle on another and start cawing again. They don't care which branch they are on or what they are cawing. There have always been such people and there always will be.

[TRUD-7] You mentioned your native Orel region.... You remain the head of Orel Oblast Administration, combining those duties with your concerns as chairman of the Federation Council. Do you manage to fly to Orel only for the weekend? And where does your family live? Do you have an apartment in Moscow? In general, what is your daily life like?

[Stroyev] That's a lot of questions in one go.... My life is okay. I have an official apartment in Orel, which I received when I was an institute director. Nothing more. There was an ordinary three-room apartment here for which I never even managed to buy furniture. Now I no longer need this. It is now a burden. My wife is also very relaxed about all this. She is a simple person without any particular pretensions. During the war she lost her whole family in the forests of Bryansk Oblast and she was raised in a children's home....

We have never had any interests in life apart from work. A dull life, you will say. But my response would be: I am perhaps one of the most spiritually rich of people. I have over 3,000 books — they are my best friends. When we chose the apartment in Orel, I sent them to a sovkhoz director of my acquaintance. They have absolutely all been preserved. I lead a simple life. Nothing in this life burdens or binds me. My conscience does not trouble me at night. I have a grown-up daughter, and my grandson is almost three years old. My son in law is a serviceman.

[TRUD-7] We were speaking about "people after socialism." But we are all also living "after the USSR." What is happening to us now: Will we experience further rapprochement with the former Union republics, or will the present situation remain forever?

[Stroyev] There are two possible courses here. Like the State Duma, we could adopt a law on restoring the Soviet Union and thereby express our attitude toward this problem. But we realize that declarations of this sort are one thing and real life is something else entirely. You could adopt 1,000 laws, but this would not bring back the former USSR. The Russian Federal Assembly is not a time machine, it cannot turn the clock back, but it must sensitively and attentively follow this time and understand its demands and requirements. No hoops (not even military hoops) will bind the present independent and sovereign republics together into a single state. And if you try to do that, the result will be the same as in Chechnya. You can describe the present situation there only as a tragedy for our people. So as chairman of the CIS Interparliamentary Assembly I am categorically opposed to any attempts at hasty unification of our states without taking mutual long-term interests into account. We must wait for the dust of history to settle on the collapsed edifice of the Union and allow the fresh rain to fall and fundamentally new shoots to appear, maybe along with new people, new politicians capable of taking a calm, unbiased look at the problem of our integration.

Unfortunately, there are all too many oracles and politicians who know "quite precisely" what we should do along this path, when, and how. I really feel like saying to them: Hang on, cool it, sit quietly for a minute and take a careful look at the shoots of real life. Where are they heading? The shoots of new interstate relations are only just beginning to appear. They are emerging from old established production ties and the deep-seated popular roots of our culture, traditions, the common Slav spirit, and a millennium of common history. This is a boundless sphere for the restoration of friendly, economic, and intellectual ties that will determine the face of the CIS. What path will the Commonwealth take in the immediate future? The path of healing the wounds of mistrust, I believe. This is a difficult and multifaceted process, but a necessary one.

[TRUD-7] Is there anything specific on this path?

[Stroyev] Our parliamentary delegation recently went to Belarus, visited Belovezhskaya Pushcha, met with the president and with our colleagues in the Belarusian Supreme Soviet, and visited the Brest Fortress and paid our respects to the fallen. Incidentally, the Orel Rifle Division, my fellow countrymen, perished there in 1941.... So now we have a considerably clearer idea of how we should move further along the path of integration. The second specific step that has already been taken is that an Interstate Council has been set up and has met in Brest. It examined specific questions: citizenship, common rights to social protection, the single customs system....

[TRUD-7] But at present all that is at the level of plans. Are there any specific decisions?

[Stroyev] Well, it has been decided, for instance, that there is no point in building a second tractor plant in Russia to produce wheeled machines for private farms. We would be unable to come up with anything better or cheaper than the Belarusian tractor. Our agrarian complex can no longer manage without such a tractor.

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Russia must now save this plant, which is in by no means the best of condition, and everyone will gain by this. In Russia we are capable of producing by our own efforts only one tractor per six collective farms and 100 private farms. That is disastrously few. But why construct a new plant when there is a ready-made one close at hand?

Similarly Belarus too cannot manage without our oil and gas complex today. It appears that natural economic needs, not merely politicians' will, are drawing us toward each other like powerful magnets. Furthermore, entrepreneurial links at local level have long been ahead of all our integration laws. Smolensk, Bryansk, Orel, Kursk, and other oblasts have long preferred to buy fuel and lubricants from the Belarusians, because they are 300,000 [rubles] a tonne cheaper than they are from our Russian suppliers. In precisely the same way we sell grain to adjoining oblasts of Belarus. Because half our grain is commodity grain, and it is more profitable for them to buy it from us.

These real, existing economic relations must be enshrined in model laws adopted by the CIS Interparliamentary Assembly. This will signify support for the natural processes brought forth by life itself.

[TRUD-7] What do you think are the true reasons for our strained relations with Ukraine? Are there objective circumstances ordaining that these relations are tense, or is this entirely down to the will of politicians?

[Stroyev] There are also objective circumstances, of course. I include among them something that in former times created more differences between us than similarities. For instance, the fact that eight centuries ago West Ukraine was under the wing of Austro-Hungary and that there was also a religious difference between us: That region gravitated toward Catholicism, while we gravitated toward Orthodoxy.... There were also certain delusions, to put it mildly. Some people in Ukraine believed that the country had sufficient resources of its own to permit it to lead a comfortable existence after seceding from the USSR. Certain Ukrainian politicians thought that in the USSR Ukraine bore the main burden of supplying the Union with sugar, grain, and metals.... It turns out that this was not the case. Furthermore, their ore deposits are now running out and they are having to purchase bread, to say nothing of energy and fuel resources.

All these dissimilarities, illusions, and delusions were also intensified by the disputes over Crimea and the Black Sea Fleet. The result is the situation we see today. But you know, while there are barriers on the political highways between us, people are continuing to keep in touch with each other and visit each other along the "green" paths and to trade. Those paths are becoming wider and wider. I think politicians should just take a close look at where these paths go, clear them, and turn them into good roads without potholes and barriers. In short, once again, they should help people, not hinder them.

[TRUD-7] We have already noticed that this idea is in line with your principle of taking your lead from real life....

[Stroyev] Well, if you've noticed that, you see what I'm getting at clearly enough. Thank God.

Russia: Pro-Yeltsin MP Says Communists To Provoke Early Duma Elections

LD3107111596 Moscow INTERFAX in English 1054 GMT 31 Jul 96

[FBIS Transcribed Text] MOSCOW, 31 Jul (INTERFAX) — Aleksandr Shokhin, Russian State Duma first deputy chairman (Our Home is Russia faction) stated that the left-wing forces in the lower house of the Russian parliament are likely to provoke President Yeltsin to dissolve the State Duma in August.

He told INTERFAX that the left-wing opposition "may decide to turn down the president-proposed candidacy to the post of prime minister, thus putting pressure on Yeltsin."

In his opinion, the communist and pro-communist section of the State Duma may opt for such tactics to force the executive authorities to change the policy of reforms in a way suiting their interests, and to accept their proposals on the distribution of posts in the new Cabinet.

"If the Communists use such tactics, Yeltsin will not yield to their pressure but will choose a more rigid course of action, say by submitting to the State Duma a candidacy absolutely unacceptable for the left-wing forces, for instance the candidacies of Anatoliy Chubais or Yegor Gaidar," said Shokhin.

In accordance with the Constitution, if the State Duma turns down the president-proposed candidate to the post of prime minister three times, the president has the right to appoint a prime minister on his own, dissolve the State Duma, and announce parliamentary elections.

At the same time, Shokhin did not rule out the possibility that "the most active and aggressive" representatives of the left-wing opposition, by rejecting the president-proposed candidacies, "will be provoking the president to dissolve the State Duma and hold early parliamentary elections next December."

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In his opinion the People's Patriotic Union of Russia Movement, created by Communist Party leader Gennadiy Zyuganov, "intends to strengthen its position during the autumn regional elections to ensure that following early parliamentary elections the State Duma will become much more Communist than now."

Russia: Yeltsin Aide on Government 'Openness', Financial Situation

LD3107101896 Moscow Mayak Radio Network in Russian 0800 GMT 31 Jul 96

[FBIS Translated Text] [Announcer] What changes, visible and profound, are planned in the way our country is run? This is the subject of a conversation between our correspondent Vera Shchelkunova and the Russian president's aide Georgiy Satarov.

[Begin recording] [Satarov] The first thing, I think, is openness. Remember that the authorities have often been accused of rarely speaking to people and so on. This is an absolutely correct accusation. It is one of the cardinal mistakes usually made when reforms begin that too little has been explained. The second thing is the level of preparation and justification for decisions and not thinking ahead, you understand.

In principle this has, of course, begun earlier. One can recall certain fragments from the president's previous message, which said that inflation would decrease and those who had got used to profiting from inflation would have problems. They should prepare to live in different economic conditions.

[Shchelkunova] But no one believed it.

[Satarov] No one believed it and they suffered as a result.

[Shchelkunova] These are, however, external principles of conduct. I would now like to ask about the deep essence of the changes in policy. Will there be such changes?

[Satarov] There will be consistent and major changes in the technology of power. These are important and profound changes. A colossal number of problems are caused precisely by the fact that decisions are poorly prepared and poorly thought through and considered. That is what the authorities are obliged to do.

[Shchelkunova] And they proceed poorly along the chain of command.

[Satarov] That is the second thing, yes. What is called executive discipline. That is also clear and that also has begun to be done to some extent.

[Shchelkunova] What sort of position are we in now? Very many people assert that we are simply on the verge of a financial and economic catastrophe, in spite of good figures for inflation.

[Satarov] The financial situation is very difficult but it is not on the scale of catastrophe as in, say 1991, when money simply lost its meaning. Now the problem is that money actually means something again but there is not enough of it. There is not enough of it primarily from the point of view of the formation of the revenue part of the budget. To a large extent this is connected with the political instability prior to the elections when economic activity, reflex economic activity, decreased. Therefore, now basic measures, emergency measures if you like, are aimed at ensuring the inflow of money into the budget. So that we can pay wages to the workers in the budget sector and so on.

[Shchelkunova] If I understand it rightly, this half year will be the most difficult.

[Satarov] Undoubtedly, severe measures will be needed, there is no escaping it, measures against shuttle traders, for example.

[Shchelkunova] What is your opinion — will the president sign the broad measure, which was adopted by the Duma just before going off on vacation, giving increased pensions?

[Satarov] I very much hope not.

[Shchelkunova] It will also be worse for the pensioners?

[Satarov] There is a simple way out by printing a pile of money in order to pay these pensions. But printing money would only make this rise worthless.

[Shchelkunova] Georgiy Aleksandrovich, you are not a member of the commission for organizing the inauguration of the president.

[Satarov] No, I am not a member.

[Shchelkunova] Do you know what is going on there?

[Satarov] I know more or less. I have read the scenario.

[Shchelkunova] Has the president read it?

[Satarov] I should think so.

[Shchelkunova] Does he like it?

[Satarov] I do not know. I have not discussed it with him.

[Shchelkunova] What about you?

[Satarov] I do not consider this scenario ideal but at the same time I consider that the alleged luxuriousness has been somewhat exaggerated.

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[Shchelkunova] But is there really an ode included in the ceremony?

[Satarov] Not according to all the documents that I have read.

[Shchelkunova] Swearing an oath with the Constitution in his hand. Is he going to hold an orb and a scepter?

[Satarov] No he is not. [end recording]

Russia: Charges Brought Against Deputy Prime Minister Karpov

LD3107105896 Moscow INTERFAX in English 1050 GMT 31 Jul 96

[FBIS Transcribed Text] MOSCOW, July 31 (Interfax) — Russia's First Deputy Prime Minister Vladimir Kadannikov confirmed in an interview with Interfax Wednesday that Deputy Chairman of the Federal Bankruptcy Agency, Petr Karpov, who holds the rank of deputy prime minister, has been arrested.

Kadannikov said that criminal proceedings were initiated against Karpov by the Saratov Prosecutor's Office.

In answer to the question whether the cause of Karpov's arrest was rooted in an inter-departmental conflict, Kadannikov said:

"What has an inter-departmental conflict to do with this? It's a criminal case!"

Russia: Moscow Denies Ordering Attack on Chechnya's Maskhadov

LD3007134796 Moscow INTERFAX in English 1333 GMT 30 Jul 96

[FBIS Transcribed Text] MOSCOW, July 30 (Interfax) — The federal authorities have nothing to do with the attack on Aslan Maskhadov, Chechen separatist military chief, State Commission on Chechen Settlement secretary Sergey Stepashin told Interfax Tuesday.

The Chechen separatist cannot have any evidence to prove complicity of federal special services in the attack, he Tim Guldimann, head of the Organization of European Security and Cooperation's mission in Chechnya, by telephone Tuesday.

Stepashin confirmed he and Nationalities Minister Vyacheslav Mikhaylov and will visit Chechnya shortly.

Stepashin said that he intends to hand Chechen separatist leader Zelimkhan Yandarbiyev a commission statement demanding that the separatist leaders make their position on Chechen radical separatist Salman Raduyev known. Under the Nazran agreements, proper action should be taken against terrorists and people destabilizing the situation, Stepashin said.

The attack on Maskhadov could result in a postponement of his meeting with Gen. Anatoliy Kvashnin, commander of the North Caucasian Military District, he feared.

A detailed schedule of federal financing of rebuilding the Chechen economy until the end of 1996 will be worked out Wednesday, Stepashin said.

"This is a major issue in stabilizing Chechnya," he said.

Russia: Edict on Presidential Staff Reorganization Published

MM3007093896 Moscow ROSSIYSKAYA GAZETA in Russian 27 Jul 96 p 4

[Russian Federation presidential edict No. 1101, signed by Russian Federation President B. Yeltsin in Moscow, the Kremlin, on 25 July 1996: "On Measures To Improve the Structure of the Russian Federation Presidential Staff" — from the 'Documents' section]

[FBIS Translated Text] With a view to ensuring conditions for structuring the Russian Federation Presidential Staff in line with Point "i" of Article 83 of the Russian Federation Constitution, I decree:

1. To accept the proposal of the chief of the Russian Federation Presidential Staff on the organizational structure of the Russian Federation Presidential Staff and on conducting within a two-month period a reorganization of the Russian Federation Presidential Staff with a view to effecting a reduction in the number of staffers, eliminating duplicated structures, and making the best possible use of the existing cadre composition of the Russian Federation Presidential Staff.

2. To prescribe that the chief of the Russian Federation Presidential Staff:

will submit for approval by the Russian Federation president draft statutes on the Russian Federation president's aides, the Russian Federation president's main administrations, the Russian Federation President's Chancellery, the Russian Federation President's Protocol Administration, and the Russian Federation President's Press Service, and will make proposals regarding the maximum numerical strength of their officials;

will ensure functional leadership of the Russian Federation president's aides, including the chief of the Russian Federation President's Chancellery, the Russian Federation president's chief of protocol, and the Russian Federation president's press secretary, and will ensure overall coordination of their activities.

To prescribe that the coordination of current work plans for the Russian Federation president's aides is effected,

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according to a procedure laid down by the chief of the Russian Federation Presidential Staff, by a deputy chief of the Russian Federation Presidential Staff to whom this task has been assigned by the Russian Federation president.

3. To prescribe that the chief of the Russian Federation Presidential Staff has first deputy and deputy chiefs of the Russian Federation Presidential Staff, including deputy chiefs of the Russian Federation Presidential Staff who are chiefs of the Russian Federation president's main administrations.

The Federal State Service state posts of first deputy and deputy chiefs of the Russian Federation Presidential Staff are instituted by the Russian Federation president.

4. The Russian Federation Presidential Staff:

will abolish the Russian Federation President's Main Administration for Questions of Constitutional Guarantees of Citizens' Rights, the Russian Federation President's Main Administration for Questions of State Service and Cadres, the Russian Federation President's Main Administration for Questions of the State's Domestic and Foreign Policy, and the Russian Federation President's Main Program and Analysis Administration;

will introduce the following additional Federal State Service state posts: first deputy chief of the Russian Federation Presidential Staff and deputy chief of the Russian Federation Presidential Staff;

will abolish the state post of Russian Federation president's first aide.

5. To exclude from the organizational structure of the Russian Federation Presidential Staff, as approved by Russian Federation presidential edict No. 117 of 29 January 1996 on "Questions Concerning the Russian Federation Presidential Staff," the Russian Federation President's Main Administration for Questions of Constitutional Guarantees of Citizens' Rights, the Russian Federation President's Main Administration for Questions of State Service and Cadres, the Russian Federation President's Main Administration for Questions of the State's Domestic and Foreign Policy, and the Russian Federation President's Main Program and Analysis Administration.

6. The chief of the Russian Federation Presidential Staff must:

a) implement the necessary organizational and personnel measures in compliance with this edict;

b) if necessary, increase by not more than 10 percent the numerical strength of staff of Russian Federation president's main administrations within the limits of total numerical strength of staff for the Russian Federation Presidential Staff, pending the determination of maximum numerical strength limits over and above those currently prescribed;

c) submit for approval by the Russian Federation president:

within one month — draft statutes on the Russian Federation Presidential Staff and organizational structure of the Russian Federation Presidential Staff;

within two weeks — a list of institutions and organizations under the Russian Federation Presidential Staff's jurisdiction;

within two weeks — nominations for the posts of deputy chiefs of the Russian Federation Presidential Staff and chiefs of Russian Federation Presidential Staff subdivisions established on the base of abolished Russian Federation President's main administrations;

within one month — draft statutes on Russian Federation Presidential Staff subdivisions established on the base of abolished Russian Federation President's main administrations and on other subdivisions for which statutes have not yet been approved.

7. To prescribe that the Statute on the Russian Federation Presidential Staff, as approved by Russian Federation presidential edict No. 117 of 29 January 1996 on "Questions Concerning the Russian Federation Presidential Staff" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1996, No. 6, p 532), will remain in force to the extent that it does not contradict this edict until such time as a new Statute on the Russian Federation Presidential Staff is approved.

Point 11 of Russian Federation presidential edict No. 117 of 29 January 1996 on "Questions Concerning the Russian Federation Presidential Staff" is deemed to have lapsed.

8. This edict comes into force on the day of its official publication, with the exception of Paragraph 4 of Point 4 of this edict, which comes into force 10 August 1996.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin, 25 July 1996

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Media Issues

Russia: Dispute Breaks Out Over PRAVDA; PRAVDA-5 Becomes Daily

MM3007160396 Moscow KOMSOMOLSKAYA PRAVDA in Russian 31 Jul 96 p 2

[Report by Aleksey Sinelnikov: "Flame Develops From Spark at PRAVDA"]

[FBIS Translated Text] The conflict between PRAVDA and its Greek publishers has turned into an open confrontation. The dispute broke out following widespread rumors about the loss of the newspaper's awards [orders of Lenin]. Later it emerged that it was not the Greeks who stole the orders. In revenge the businessmen stopped production of the daily newspaper. Now only PRAVDA-5 is being published, turning it from a weekly into a daily.

Vladimir Ryashin, its editor, considers the main newspaper's position in relation to its financial partners to be incorrect.

"The editorial collegium was unable to take advantage of a situation where the publishers do not interfere in the newspaper's politics. I think that the people financing the publication should be treated properly, at any rate there should be no quarrel," he noted.

PRAVDA Chief Editor Aleksandr Ilyin considers Ryashin's support for the Greeks to be improper.

"Our newspaper's founder is the collective, we will publish. And we demand the return of money received from subscriptions. PRAVDA-5 is the brainchild of the 'PRAVDA International' joint-stock company and is a completely different publication," he explained.

Russia: PRAVDA's Greek Owner Interviewed on Paper's Closure

MK3007095896 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 27 Jul 96 p 2

[Report by Andrey Zverev containing interview with Theodoros Giannikos: "Ruinous PRAVDA"]

[FBIS Translated Text] On Thursday [25 July] leading Russian mass media reported an indefinite halt to the publication of the Communist newspaper PRAVDA and that the conflict inside the newspaper was based on ideological differences between the Greek businessmen who own the newspaper and PRAVDA Chief Editor Aleksandr Ilyin.

Interestingly, as deputy to "Red speaker" Seleznev, who was still in charge of the former print organ of the Central Committee, Comrade Ilyin backed his boss's idea and participated in the sale of PRAVDA to the family of Greek millionaire Giannis Giannikos. Together with three members of this family, Seleznev and Ilyin became the founders, in the summer of 1992, of the Pravda International Joint-Stock Company, 55 percent of whose shares went to the Communists' foreign partners. However, the exploitation of communist principles has yielded no positive result in enriching the heads of the joint-stock company. Ever since the deal was struck between the "Argonauts," Seleznev, and Ilyin, more than 200 "Soviet" "masters of the pen" have left the newspaper. The presidential campaign lost by the Communists made things even worse.

Trying to prevent PRAVDA from becoming the ideological mouthpiece of the CPRF [Communist Party of the Russian Federation] Central Committee, the elder of the brothers, Theodoros Giannikos, asked at a meeting of the newspaper's work collective that the overzealous Zyuganovite Ilyin resign. Defending Ilyin, the Moscow city CPRF committee issued a statement sharply protesting his removal as chief editor. The sides accused one another of disrupting the publication of PRAVDA's 25 July issue.

Moscow-based Zyuganovites also stated that the newspaper's leading journalists have in recent months had their wages cut by two thirds. However, PRAVDA journalists assured MOSKOVSKIY KOMSOMOLETS that despite the fact that "this is not very big money today, it is being paid regularly." In order to clarify the situation further, your MOSKOVSKIY KOMSOMOLETS correspondent managed to meet with the financial director of the Pravda International Joint-Stock Company, Theodoros Giannikos.

[Zverev] First of all, could you clarify the situation with regard to the disrupted publication of PRAVDA's 25 July issue? Is it true what the newspapers write, that you "were not allowed into the newspaper office and no one else had the keys to the print shop?"

[Giannikos] That day there were several disruptions of order, and the reasons for one of them remain unknown. We did hold the keys to the technical services. Militia arriving to investigate denied us entry into the building. True, their chiefs apologized to us yesterday for their operatives.

[Zverev] The Moscow CPRF city committee statement says that you have denied "many leading journalists up to 30 percent" [figure as published] of their monthly wages. Is this true?

[Giannikos] I have seen this statement and I do not understand why it should have been issued. Journalists are being paid in full. Several journalists have not been turning up at their place of work and not writing any

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materials, for which reason they did not get any bonus pay. And this is in no way a "majority of leading journalists," as the CPRF press service maintains, but some seven or eight persons.

[Zverev] They say there have long been differences at PRAVDA for political and ideological reasons. What do you think, does your newspaper's left-wing stance harm business?

[Giannikos] Well, to be frank, the newspaper has done nothing good for our business over the last four years. This is for everyone to see....

[Zverev] Does it follow from this that dismissal is near at hand for the newspaper's chief editor Ilyin, who preaches left-wing views and tried to put the newspaper on the track of Zyuganov's election campaign?

[Giannikos] Yesterday we already demanded that he should relinquish his powers. When the newspaper's circulation is falling, when there exist real problems with discipline, when pluralism is absent and the sensible solution of all questions is impossible, then we think it is imperative to replace the chief editor with a more competent and efficient one.

As for Ilyin's left-wing views, we absolutely do not care. We invest money in the newspaper and want to get results. The present chief editor, unfortunately, cannot guarantee this to us.

Military Issues

Russia: Yeltsin Appoints Rodionov, Kovalev to Military Commission

LD3107101496 Moscow ITAR-TASS World Service in Russian 0942 GMT 30 Jul 96

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 31 Jul (Itar-Tass) — In accordance with an instruction by Russian President Boris Yeltsin, changes in personnel have been made within the commission for top military posts, top military and special ranks of the Council for Personnel Policy under the president of the Russian Federation. Defense Minister Colonel General Igor Rodionov and Nikolay Kovalev, director of the Federal Security Service, have been included on the commission.

Vladimir Denisov, deputy secretary of the security council, brought on to this body by the Russian President, has been appointed the commission's deputy chairman.

Russia: Rodionov Says Professional Army Requires Increased Spending

LD3007151096 Moscow INTERFAX in English 1452 GMT 30 Jul 96

[FBIS Transcribed Text] MOSCOW, July 30 (Interfax) — Russian Defense Minister Col. Gen. Igor Rodionov has called to introduce centralized management of purchases of new armaments and strict control over funds allotted for the purpose.

"A good army cannot be cheap," he said at a meeting with top officers of the Russian ground troops Tuesday.

Appropriations for the development of modern armaments have been reduced by several times and research in the area is practically not financed at all, said Rodionov.

"A professional army is a difficult problem, its quality and high level cannot be achieved without a sharp increase in spending," he said.

Rodionov called to look for non-traditional solutions to preserve the basis of the Armed Forces and pay attention to the priority directions of their development.

"By trying to save all we risk to lose all, whereas it is necessary to preserve the basis of the Armed Forces," he said.

He expressed hope that the recently created Defense Council will be able to set right the "imperfect mechanism" of military development and coordinate the work on military reform.

The country needs a precise program for reform of the armed forces and of the ground troops in particular, said Rodionov.

He believes the Russian Army should not exceed 1.7 million servicemen (currently it has 1.5 million servicemen). According to Rodionov, the army's officer staff is manned by only 90 percent and there are 60,000 vacancies in the lower ranks.

He said the trend of falling combat readiness in various units has not been reversed yet. The army and the fleet conduct exercises mainly on maps because of the lack of funds, said Rodionov.

He spoke in favor of a more just system of service for officers, the best of whom must be given priority in promotion and decoration.

Rodionov also called for ensuring social protection of the military, including those in the reserve, not at the cost of defense appropriations but using other financial sources.

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Russia: Spring Draft Confirms Dodging, Other Problems

MM3007110396 Moscow KRASNAYA ZVEZDA in Russian 24 Jul 96 p 2

[Article by Colonel Oleg Falichev: "Whether It Is Hard To 'Dodge' the Army. Reflections on Results of 1996 Spring Draft"]

[FBIS Translated Text] In accordance with the Law on the Military Service Obligation and Military Service the spring draft into the Armed Forces and other forces and military formations ended 30 June in Russia. The General Staff is still collating the latest information, but right now it can be said that 200,200 people have been called to the colors of combined units and units. This time the set draft plan has been completely fulfilled, and this can apparently be forgotten until the fall. But somehow it is not working out. Here is why.

Alas, lately things have developed in such a way that every draft means considerable stress for the personnel of military commissariats and the relevant commissions and staffs because there are lots of problems here. Moreover, from year to year they are snowballing but the solution has not yet been found. Just take the quality of the draft contingent. It is common knowledge that we are drafting underweight youths whereby conscripts are immediately hospitalized, figuratively speaking, to be fattened up. Lately the picture has not changed all that much. While during the 1987 draft 92.7 percent of youths were declared fit for military service, in 1995 the figure was only 71.1 percent. That is, the decrease in fitness was over 20 percent. This year it will not be at all possible to draft 15 percent of young people on the military register for military service for health reasons. In some krays and regions up to 18 percent of draftees have been sent for additional medical examination. Mainly in industrial regions with a poor ecological environment in the Urals, Far East, and the North Caucasus. Although these figures are in themselves rather dry, if one thinks about it they simply cry out about the nation's deteriorating health and that juvenile medical services and general health institutions are not working. To which we simply cannot close our eyes. Otherwise by 2000 we will have an Army of goners and sick people instead of a professional Army.

We cannot fail to mention another trend which has again been highlighted by this spring draft and to which KRASNAYA ZVEZDA has at one time or another devoted attention. It is that our Army is increasingly becoming, as at the height of Soviet rule, an Army of workers and peasants. For some reason it as a rule the children of workers and peasants who end up in it, although the Law on the Military Service Obligation and Military Service expressly states that all Russian Federation citizens are obliged to defend their fatherland — the Russian Federation. But things are working out differently. Why?

It is no secret that every more or less well-off family is currently doing all it can to try to steer its offspring away from the Army. Every trick in the book is being used: from enrollment in prestige colleges and higher educational institutions and sending them away to study abroad to bribing officials. Especially since these days it is not particularly difficult to obtain the "necessary" special labor certificate. As long as one has the money. Not to mention that all kinds of deferments are still operating. The 1996 spring draft was no exception here. Only around 2 percent of recruits had a higher education. Such is the replacements' intellectual potential. Sad as it is to admit, it turns out that children from the low-income strata of the population are being forced to take up arms to protect the capital of the rich....

I am, of course, exaggerating a little and some people might object: What about the feeling of patriotism? And a united fatherland for all? All that exists. But surely this patriotism should be inherent in all citizens without exception? Finally, how long can this feeling that is sacred to most of us Russians be exploited? It seems to me that we must not live off it like parasites for years, without even paying according to merit for the military labor, which is very important to the country and often fatally dangerous, of those whose duty and calling it is to defend the motherland.

I am saying all this because the feeling of patriotism does not arise by itself but is acquired, sometimes in agonizing contemplation and comparisons, and is carefully instilled in young hearts. But, most importantly, it is inextricably linked with a love of the Army and its colors and with respect for the uniform.... But it is better not to talk about what respect the man in uniform enjoys in society, especially among the "golden" youth. Very many cannot be enticed to serve in their own Army for love nor money, but they are only too happy to enlist in some foreign legion. Is this not a paradox?

This must be pondered above all by the state if it is interested in a strong, battleworthy Army. But at the moment the conclusion drawn by the General Staff is not very reassuring: The number of citizens evading the draft for military service is not decreasing and in spring 1996 totaled over 26,000 people!

"This problem is indeed acute," Lieutenant General V. Smirnov, deputy chief of the Russian Federation Armed Forces General Staff Main Organization and Mobilization Directorate, said in a conversation with me. "But it cannot be solved overnight. This requires a

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whole range of measures of a political, socioeconomic, and psychological nature...."

Evidently it is impossible to disagree with this. That is why the situation cannot be changed by repressive measures and by catching draft dodgers alone. Above all His Majesty the Law must work effectively. But at the moment our legislation provides dozens of legal ways of "dodging" the Army. Judge for yourselves. If you were a little late with your medical examination — hey presto, you have gotten yourself a six-month deferment (there were 7,600 such people this spring). You did not turn up at the medical commission — never mind again. You did not turn up at the draft commission — that's nothing. Only if you have flatly refused the call-up into the Forces — only then can you be held accountable under the law. But as a rule prosecutor's offices do not consider such cases. In short, there is vast scope — just pick whatever dodge takes your fancy. This is also confirmed by the fact that only a mere 59 of this year's 26,000 draft dodgers were convicted. Leaders of local self-government organs, law enforcement organs, enterprises, and institutions do not always properly fulfill their duties associated with the draft of citizens for military service. As they say in Rus, like master, like man.

I need hardly list other "legal" methods of evading Army service. This is already being done very well by many of our popular publications. A fact is a fact: Service has only negative connotations in the public consciousness and to most mass media in Russia. It is impossible to count on success without shattering, without dispelling this opinion. But this is such a difficult task. Thus, an article entitled "Fifty Legal Ways To 'Dodge' the Army" was published in one of the latest issues of ARGUMENTY I FAKTY. This is nothing short of a manual on how, by taking advantage of the loopholes in our legislation, to evade service and fool military commissariat staff. Moreover, it pushes youths into a confrontation with the local authority organs and military commissariats but provides too arbitrary an interpretation of some of the law's articles. For example, parents are given the following "recommendations": "Until your son reaches the age of 18 calmly ignore all draft notices." But Colonel Viktor Kozhushko, a senior officer of the Russian Federation Armed Forces General Staff Main Organization and Mobilization Directorate, explained that the draft of citizens entails not only passing medical and draft commissions and being sent into the Forces. This is preceded by a lengthy period during which youths are trained for it. It includes a study of their state of health, psychological and practical qualities, and family situation and other questions. Article 9 of the Russian Federation Law "On the Military Service Obligation and Military Service" and Article 10 of the Statute on Military Registration, approved by Russian Federation Government Decree No. 292 of 22 March 1995, obliges a citizen to appear at a military commissariat. Moreover, on the basis of Article 191 of the RSFSR Code on Administrative Offenses he can be dealt with administratively for failing to appear without good reason. Moreover, criminal liability is provided in accordance with an article of the Russian Federation Criminal Code. It comes into effect if a citizen does not appear as directed by the notice at the induction center for transportation to his unit. So these pieces of advice from ARGUMENTY I FAKTY could hardly be called useful.

For the sake of fairness I will observe that lately some things have been changing. Military-patriotic education and elementary military training are being revived in some schools and new cadet educational institutes are being opened. The Duma has prepared a draft law which puts the fight against draft dodgers onto a tough economic footing. The "refuseniks" will have to pay a fine of 30 million rubles. Amendments are being made to the Criminal Code.... So, soon it will be very costly to run away from the Army. But, I repeat, mainly it is still a fight not against the illness itself but against its consequences.

After all, according to the well-known saying the Army is a copy of society and not an island. It is simply immoral to cut ourselves off from it with an ideological fence of dogmas and old stereotypes and to be in permanent confrontation with it, like certain mass media, for so many years since the beginning of the democratic transformations. We must all understand this. Because truth does not originate in trenches. It originates in a respectful dialogue and the mutual desire to understand each other.

Russia: Edict, Statute on Defense Council Published

MM2907093196 Moscow ROSSIYSKAYA GAZETA in Russian 27 Jul 96 pp 1, 4

[Russian Federation Presidential Edict No. 1102, signed by President Yeltsin in Moscow on 25 July 1996, "On the Russian Federation Defense Council," accompanied by the statute on the Defense Council and an organizational flowchart]

[FBIS Translated Excerpt] In accordance with Article 87 of the Russian Federation Constitution and Articles 1 and 4 of the federal law "On Defense," I decree that:

1. A Russian Federation Defense Council shall be set up.

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Yuriy Mikhaylovich Baturin shall be appointed secretary of the Russian Federation Defense Council and aide to the Russian Federation president.

2. The appended Statute on the Russian Federation Defense Council, composition of the Russian Federation Defense Council, and samples of the form used for orders issued by the supreme commander in chief of the Russian Federation Armed Forces and the form used for directives issued by the supreme commander in chief of the Russian Federation Armed Forces are hereby ratified. (Footnote) (The statute and the composition of the council are published on page 4)

3. With a view to ensuring the activity of the Russian Federation Defense Council, an apparatus for the council with a staff of 53 shall be set up and its structure ratified.

Up to 25 servicemen and staffers from Russian Federation internal affairs organs may be seconded to the Russian Federation Defense Council apparatus.

Vladimir Nikolayevich Klimenko shall be appointed leader of the Russian Federation Defense Council Apparatus.

4. This edict comes into force from the day it is signed.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin
25 July 1996
No. 1102

[The edict is followed by a flowchart diagram of the "structure of the Russian Federation Defense Council apparatus," showing that directly subordinate to the leader of the Russian Federation Defense Council Apparatus are the Russian Federation Defense Council Secretariat (with administration status) and two administrations. Each of the administrations has two departments directly subordinate to it]

Statute on the Russian Federation Defense Council

I. General Provisions

The Russian Federation Defense Council (hereinafter the Defense Council) is the standing consultative organ preparing the Russian Federation president's decisions in the sphere of military organizational development and the implementation of the highly important decisions of the Russian Federation Security Council on strategic issues of defense policy.

2. The Defense Council elaborates decisions on important issues such as measures to prepare for the protection of the Russian Federation from armed attack or the direct protection of the Russian Federation from armed attack, the elaboration of an overall concept of military organizational development, the coordination and monitoring of the activity of the Russian Federation Armed Forces and other troops and military formations, and the definition of their mission, composition, and size in accordance with the Russian Federation Constitution, the federal law "On Defense," other Russian Federation acts of legislation and international treaties, and this statute.

3. The Statute on the Defense Council is ratified by the Russian Federation president following representations from the secretary of the Russian Federation Defense Council (hereinafter the Defense Council secretary).

II. Composition of the Defense Council

4. The Defense Council comprises the chairman of the Russian Federation Defense Council (hereinafter the Defense Council chairman), the deputy chairman of the Russian Federation Defense Council (hereinafter the Defense Council deputy chairman), the Defense Council secretary, and members of the Defense Council.

5. The Defense Council chairman is the Russian Federation president, the Defense Council deputy chairman is the chairman of the Russian Federation Government.

The Defense Council secretary is appointed by the Russian Federation president.

The composition of the Defense Council is ratified by the Russian Federation president.

The leaders of state organs, organizations, and other persons directly involved with the issues at hand may be invited to Defense Council sessions.

III. Tasks of the Defense Council

6. The tasks of the Defense Council include examining questions of:

the elaboration of a concept of military organizational development and the drawing up of proposals on the tasks of the Russian Federation Armed Forces, other troops, and military formations stemming from the military doctrine (the main provisions of the military doctrine);

legal regulation in the sphere of military organizational development;

the organizational development, training, and maintenance of the necessary readiness of the Russian Federation Armed Forces, other troops, and military formations, as well as the determination of their composition, size, and manpower acquisition;

the deployment of the Russian Federation Armed Forces, other troops, and military formations should

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a threat of aggression against the Russian Federation arise;

the forecasting and evaluation of military danger and military threats on the basis of the synthesis and analysis of intelligence and other information;

the utilization of the Russian Federation Armed Forces, other troops, and military formations for purposes for which they were not originally intended [ne po prednaznacheniyu];

the implementation of military-technical policy;

the improvement of armaments and military hardware, the creation of stockpiles of them, and the planning of the utilization of the radio frequency spectrum;

the planning of the transfer of federal organs of state power, Russian Federation component organs of state power, organs of local self-government, and the country's economy to work under wartime conditions;

the mobilization training of federal organs of state power, Russian Federation component organs of state power, organs of local self-government, institutions, and organizations irrespective of their form of ownership, including transportation institutions and organizations and communication services, as well as the country's population;

the creation for defense purposes of stockpiles of material resources at state and mobilization reserves;

the planning and implementation of civil and territorial defense measures;

the operational equipping of Russian Federation territory for defense purposes;

the development of science in the interests of defense;

the coordination of the activity of federal organs of state power, Russian Federation component organs of state power, and organs of local self-government in the sphere of military organizational development and the implementation of the highly important decisions of the Russian Federation Security Council on strategic issues of defense policy;

the financing of defense expenditure, and the monitoring of the spending of the funds allocated for defense and for ensuring the activity of the Russian Federation Armed Forces, other troops, and military formations;

the preparation of draft orders and directives from the supreme commander in chief of the Russian Federation Armed Forces in the sphere of military organizational development;

the implementation of other measures in the sphere of military organizational development.

7. In order to carry out expert study and evaluation of proposals and decisions on the issues referred to in Paragraph 6 of this statute, a Military Scientific Consultative Council is to be set up under the Defense Council, and provision will be made for its funding by the Russian Federation Government when planning budget expenditure under the "National Defense" line item.

IV. Powers of Persons Making Up the Defense Council

8. The Defense Council chairman:

ratifies the Defense Council's working plans and its session agendas;

sets the time and place for the holding of Defense Council sessions;

chairs Defense Council sessions;

gives Defense Council members instructions to prepare material on issues examined by the Defense Council, as well as draft decisions.

9. Defense Council members:

personally participate in the discussion of issues examined by the Defense Council;

submit proposals on the Defense Council work plan and Defense Council session agendas and the procedure governing discussions;

organize on the instructions of the Defense Council chairman or his deputy the preparation of material on issues examined by the Defense Council, as well as draft decisions;

are entitled to voice their reservations in the event of their disagreeing with an adopted decision.

10. The Defense Council secretary:

ensures under the leadership of the Defense Council chairman the preparation of the Defense Council work plans, draws up its session agendas, and organizes the preparation of reference and information material and other documents for each Defense Council session, as well as draft decisions;

informs Defense Council members in advance of the date of and agenda for the next Defense Council session, and provides them with the necessary reference and information material;

formulates the protocols of Defense Council sessions and monitors progress in carrying out the decisions reached;

organizes the activity of the Defense Council apparatus.

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V. Procedure of the Defense Council's Work

11. Defense Council sessions are held at least once a month. Extraordinary council sessions may be held, if necessary, at the decision of the Defense Council chairman.

Defense Council members have equal rights in decision-making.

Defense Council members are not allowed to delegate their powers to other officials. A Defense Council member can be temporarily replaced only with the consent of the Defense Council chairman or his deputy.

If the Defense Council chairman is temporarily absent, his duties are performed by the Defense Council deputy chairman. On the instructions of the Defense Council chairman Defense Council sessions are chaired by the Defense Council deputy chairman.

Defense Council sessions are minuted and the minutes are signed by the Defense Council chairman and the Defense Council secretary.

Defense Council decisions on the most important issues are formulated in Russian Federation presidential edicts and directives.

VI. Defense Council Apparatus

12. Defense Council activity is ensured by the Defense Council Apparatus.

The Defense Council Apparatus is part of the Russian Federation Presidential Staff and has the status of a main administration of the Russian Federation president.

13. The permanent staff of the Defense Council Apparatus is ratified by the leader of the Russian Federation Presidential Staff following representations from the Defense Council secretary.

14. The Defense Council involves federal executive organs and the Russian Federation Armed Forces General Staff in carrying out certain tasks.

[passage omitted]

Federal Assembly

Russia: MPs Warn Poor Duma Performance May Force Early Elections

LD3007123996 Moscow INTERFAX in English 1204 GMT 30 Jul 96

[FBIS Transcribed Text] MOSCOW, July 30 (INTERFAX) — The extremely low effectiveness of the State Duma's lawmaking activity may lead to an early parliamentary election, Sergey Yushenkov, Viktor Pokhmelkin and Yuliy Nisnevich, who represent the unregistered group of the Democratic Choice of Russia party, told a news conference on Tuesday.

The eight members of that group were elected in single mandate constituencies. Democratic Choice of Russia failed to clear the five-percent hurdle to qualify for the State Duma on party lists.

Pokhmelkin, a member of the Legislative Affairs Committee, said that the dissolution of the State Duma was unavoidable due to the counterproductive attitude of the left-wing majority.

He believes that those forces will approve "for the purpose of self-preservation" the candidate the president chooses for the post of prime minister only to step up criticism of the executive authorities toward the end of the year and eventually vote either for no confidence in the government or against confidence in it.

If the State Duma votes no confidence in the government twice in three months, the president, under the constitution, may dismiss either the Cabinet or the lower house of parliament.

Sergey Yushenkov, a member of the Security Committee, does not think that early parliamentary elections would be unavoidable. He pointed out that the dissolution of the State Duma can be prevented if the trend toward a constructive dialogue with the executive authorities among the Communists and other left-wingers continues.

Yushenkov believes the fact the Communists have distanced themselves from radical and extremist groups is evidence of that trend.

At the same time Yushenkov said that if the lower house was disbanded after all, the new Duma would be less leftist, because the democratic forces would participate in the election in three main alliances: centrist (Russia Is Our Home, Party of Russian Unity and Accord, etc.) right-center (Democratic Choice of Russia, Forward, Russia, Common Cause), and left-center (Yabloko).

Russia: Duma Group Signs Accord With Maritime Territory

LD3007120296 Moscow Radio Rossii Network in Russian 1100 GMT 30 Jul 96

[FBIS Translated Text] An agreement on joint actions was signed by the Russia Is Our Home faction in the State Duma and the Maritime Territory's duma in Vladivostok today. Sergey Belyayev, chairman of the faction, told a news conference that the document envisages cooperation in legislative backup for the implementation of a federal targeted program of socioeconomic development of the Far East and the Transbaykal region. The

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agreement also stipulates that the sides will cooperate in drafting and adopting laws on foreign economic relations and in creating free economic zones.

Regional Affairs

Russia: Zavgayev Claims Situation Stabilizing in Chechnya

LD3107120396 Moscow Russian Television Network in Russian 1000 GMT 31 Jul 96

[Report over video by unidentified correspondent with recorded remarks by head of Chechnya Doku Zavgayev; from the "Vesti" newscast]

[FBIS Translated Text] A very curious statement today came from the head of Chechnya Doku Zavgayev, at a meeting with representatives of the Chechen diaspora in Moscow. Zavgayev said that for more than seven days now, no operations have been conducted on the territory of Chechnya by federal forces and that the situation in the republic is steadily moving toward stabilization. [video shows Zavgayev at a meeting]

[Zavgayev] I have been counting days: Not a single bomb has been dropped and not a single shot fired for more than seven days now on the territory of the Chechen Republic. I take full responsibility for saying this. Though unfortunately, sometimes you can see terrible pictures on the television. That indeed happened but not in the past eight days. This is the eighth day.

[Correspondent] That is how Zavgayev was trying to convince members of the Chechen diaspora in Russia that the situation in the republic was stabilizing. In Groznyy even a month ago, up to 50 attacks a day were recorded. Yet at present we have just two or three a day, the head of Chechnya said. He also said that most regions in the republic are not controlled by rebels. Recently, representatives of Shatoy and Itum-Kale districts met the military.

[Zavgayev] The agreement they reached was this: Every district will itself decide how it is to live, whether it wants military actions on its territory or not.

[Correspondent] His compatriots do not share Zavgayev's optimism. In this connection he had to hear out many reproaches and misgivings. The official leader of Chechnya had to agree with most of them. The situation in the republic, in Zavgayev's opinion, is complicated by the fact that the influx of foreign mercenaries is continuing. Vedeno residents told the leader of the republic that about 200 foreign rebels live in their school. True, Zavgayev failed to say how he had responded to this alarm.

[Zavgayev] Arms and currency are being sent in with a view to conducting terrorist activities. Snipers are also being sent in, from Russian regions, among others.

[Correspondent] There is good news too. A number of Russia's regions have received tax exemption from the government so that they could use these funds to help restore Chechnya. For instance, when meeting Zavgayev the Moscow mayor promised him 1 billion rubles for construction work in Chechnya. Zavgayev has a dream of using this money to build a Moskovskiy development in Groznyy.

Russia: Khasbulatov: Zavgayev Main Obstacle to Peace in Chechnya

MK3007115396 Moscow NEZAVISIMAYA GAZETA in Russian 30 Jul 96 p 1

[Interview with Ruslan Khasbulatov by Ilya Maksakov "by telephone, in Sochi"; date not given: "The Obstinacy of Kremlin Politicians. Ruslan Khasbulatov Believes It Has Led the Peace Talks Into Deadlock"]

[FBIS Translated Text] Your NEZAVISIMAYA GAZETA got in touch on the telephone with Ruslan Khasbulatov, who is now in Sochi, and asked him to speak about the Consultative Council as part of the separatists' delegation at the negotiations with the Federal center that is being created under his supervision.

[Maksakov] Ruslan Imranovich, what will be the composition of the Consultative Council that you will head?

[Khasbulatov] First, these will be people who know the situation well. Second, authoritative people. The council can include well-known scientists and public figures, who most of all want one thing: to use their knowledge, experience, and authority to stop the Chechen war, and to start normal negotiations so that all complex problems can be resolved in a peaceful way.

[Maksakov] It is known that your candidacy was recommended to Zelimkhan Yandarbiyev by the Congress of Russia's Vaynakh Diasporas and the Coordinating Council of Chechnya. Will any members from these organizations join the expert group?

[Khasbulatov] Why not? There is a need for consultations. People who are really concerned, and who want to stop this war and remove the existing contradictions should definitely take part in the council's work.

[Maksakov] You said that before meeting with Yandarbiyev you would like to hold consultations with the president of the Russian Federation. Does this mean that the Consultative Council will not go ahead with its activity until you have met with Boris Yeltsin?

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[Khasbulatov] No, I did not make any such rigid linkage. I acted on the assumption that as the council begins its work, it would be very useful to meet with the top Russian leadership, on whom the process of this war actually depends. Look at the situation in the political power system. Yeltsin has apparently accepted a peace plan and assured everybody that he is against the war. If he is to be trusted, who is then violating the pace plan and conducting this war against his will? Everybody tries to blame Yandarbiyev and some obscure fighters. But these fighters do not act in Moscow — thank God. After the latest series of explosions both Moscow and the entire world began to talk about terrorists. But is what is happening in Chechnya not terrorism? Trouble came knocking on the doors of Moscow homes, and they began to show concern for people's lives. But why does the public not demand an end to the war being waged there, by these same people. Of course, I should like to begin my work by finding out what the Russian leadership is really after. I still cannot understand what the military is looking for there or why the bombings continue. The impression is that they pursue quite different goals.

[Maksakov] And still, if consultations with the Russian authorities do not take place, what will be your actions?

[Khasbulatov] The negotiations are under way and their aims are to be met just the same. The group of advisers has been created not simply to meet with the top leadership. This is not the main task. As far as I understand, the main task is, above all, to work on the future treaty between the Russian Federation and the Chechen Republic and ensure the provision of mutual assistance. It is certainly already necessary to shed the notion of "terrorist," especially since this does not correspond to reality: People are fighting to liberate their country from occupiers. The issue is not simple even theoretically, and there is clearly no need to pin labels.

[Maksakov] To what extent, in your activity, will you take the interests of the Zavgayev administration into account?

[Khasbulatov] Zavgayev unleashed the second stage of the war. The break in negotiations last year was related not so much to the attempt on the life of Gen. Romanov as to Zavgayev's personality. The obstinacy of the Kremlin politicians consists in that they are trying to keep a puppet in power. Because this is clearly not an independent political force, I regard it as an appendix of the Moscow administration. The Zavgayev administration should simply be recalled, and it will disintegrate because it has no social base whatsoever. The negotiations should naturally be bilateral. I believe that Yeltsin did the right thing by meeting with Yandarbiyev in Moscow and by organizing subsequent bilateral talks in Nazran. The Zavgayev factor, however, prevents a normalization of interrelations between the sides. The Russian army is fighting not for national interests but for the Zavgayev regime.

Russia: Moscow Asks Chechen Rebel Leader About Views on Raduyev

LD3007165396 Moscow INTERFAX in English 1602 GMT 30 Jul 96

[FBIS Transcribed Text] MOSCOW, July 30 (Interfax) — The Russian State Commission on Chechen Settlement has called on Chechen separatist leader Zelimkhan Yandarbiyev to speak his mind about terrorist attacks staged by field commander Salman Raduyev.

The statement, made available to INTERFAX Tuesday, was provoked by Raduyev's remarks about fighting Russia to a victory, failures of talks between federal authorities and the Chechen separatists and the Monday attack on Aslan Maskhadov, separatist military chief, which Raduyev blames on Russian special services.

"The bombings in Moscow municipal transport, the attempted bombing in Voronezh and the railroad war of which Raduyev is continuously speaking are regarded by the world community, the international organizations and the Russian Federation as acts of terror which must be fought," the commission's statement says.

In this context, "it is essential to know whether Yandarbiyev views these activities as part of fighting put up by his units or as acts of terror which, under the agreements signed in Nazran, must be fought together," reads the statement.

Russia: Chechen Opposition Issues 'Special Statement'

LD3007172096 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1633 GMT 30 Jul 96

[FBIS Translated Text] Following the aggravation of the situation in Chechnya, the General Staff of Chechen armed formations issued a special statement today, Movladi Udugov, press and information minister of Ichkeria, said in an interview with the Moscow Ekho radio station.

The statement says that "beginning 8 July 1996, as the result of operations by federal forces, more than 450 civilians have been killed, more than 150 people illegally arrested, and dozens of citizens forced to flee their homes."

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In the circumstances, the statement says, the Ichkeria armed forces from now on intend to use "all available forces and means; at the same time they will adhere to the Moscow and Nazran agreements and the decisions adopted by the State Defense Committee of Ichkeria."

The statement says that the Ichkeria military leadership still advocates talks with the command of the federal group of troops through the mediation of the OSCE.

The General Staff of Chechen armed formations calls on the command of the federal group of troops to restore the situation on the republic's occupied territory that existed at the time the Nazran Protocol was signed on 10 June 1996. In addition, the statement proposes that the federal command fulfills the commitments it undertook under the clauses of the protocol that will create the real working conditions for the working groups implementing the provisions of the protocol.

The statement also states the necessity "to reveal and punish those responsible for gross violation of the agreements reached in strict accordance with the clauses of the Nazran Protocol."

Russia: Chechen Separatists Delay Negotiations

LD3107094496 Moscow INTERFAX in English 0857 GMT 31 Jul 96

[FBIS Transcribed Text] SOUTHERN CHECHNYA, July 31 (Interfax) — Talks between the Russian federal military command and the opposition are impossible during the next few days "for technical and moral reasons," the rebel troops command told an Interfax correspondent. "Now that fighting continues and civilians are dying, contacts with the federal side are viewed by the opposition as complicity in a large-scale crime against the Chechen people," the same source said.

A spokesman for the rebel command said the opposition leaders are still convinced that the peace dialogue, initiated in the Kremlin, must be continued. "However, talks must be prepared at a very serious level, so they bring results and not a simple exchange of views," he said.

The leaders of the Chechen opposition think that "the termination of killing civilians is far more important than the observance of the Nazran protocol on the resumption of contacts."

Otherwise, the spokesman said, any talks in such conditions may be qualified by the population as treason.

The rebel troops command refers to the technical issues which are foiling contacts with the federal side, the attempted assassination of opposition leaders which, according to the rebels' sources, are organized with direct involvement of Russian special services.

The source said that on Wednesday, the chief of the OSCE mission who is acting as a mediator was informed of the opposition leaders' position on contacts with the federal side.

He that as before, the opposition will be guided by the agreements reached in Moscow on May 27 and in Nazran on June 10.

Russia: Latest Chechnya Developments Summed Up

MM3007155296 Moscow KRASNAYA ZVEZDA in Russian 30 Jul 96 p 3

[Report by Aleksandr Pelts: "Bamut Is Still Being Stormed. Situation Remains Alarming Elsewhere in Chechnya as Well"]

[FBIS Translated Text] Separatists launched a further attack on a federal troops subunit in the region of the population center of Bamut last weekend. Like the previous time, the attack was carried out from several directions at once. The number of gunmen remains as before — approximately 60. This circumstance gives grounds to assume that the selfsame detachment of separatists is operating on a permanent basis, as the saying goes, in the Bamut region.

Lieutenant Colonel Vasiliy Panchenkov, spokesman for the Internal Troops Press Bureau, has reported that the latest attack was beaten off this time as well. No information has been received on losses among the servicemen.

The situation elsewhere in Chechnya remains equally complex. During the last 24 hours federal forces subunits came under fire 11 times, five of these times in Groznyy. More than 10 servicemen received injuries, and five people were killed.

An incident highly characteristic of the separatists' actions occurred Saturday [27 July] in Groznyy's Staropromyslovskiy Rayon. A vehicle belonging to the Chechen Ministry of Internal Affairs was fired upon from a crowd of women. Five people suffered as a result of that blatant provocation. Return fire was not opened.

Three Russian servicemen were blown up by an antipersonnel mine in the environs of Groznyy. Three powerful mines were defused on a bridge over the River Dzhalka along the route being taken by a military train of the 324th Regiment, which has now been completely withdrawn from Chechnya.

Doku Zavgayev, head of the republic, has expounded his view of the processes now taking place in Chechnya.

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He declared during a news conference that today he is more afraid "not of the military but of our local 'hawks,' who have always grown more active at a time when the process of stabilization was beginning in the republic." In addition, he told journalists that an accord has been reached between the command of the federal forces and the rayon administrations — if the residents of population centers do not let gunmen onto their territories, the federal troops will leave these rayons. What is more, so ITAR-TASS reports, there is another accord: In the future no population center will be blockaded or be subjected to artillery strikes or aerial bombing strikes. According to Zavgayev, "the Chechen people themselves have risen to resolve this problem." He said that "people do not let gunmen who come from other settlements into population centers but send them back to their home places, and disarm their own fellow countrymen by means of persuasion and through intermediaries." The head of the Chechen Republic declared that the very name "Ichkeria" offends any Chechen. "Such a name exists neither on the map nor in the constitution," Zavgayev pointed out.

With regard to ascertaining the identity of the person who passes himself off as the "resurrected" field commander Salman Raduyev, Doku Zavgayev called him a rogue and emphasized that "Raduyev is dead and buried in the region of Urus-Martan." According to Zavgayev, "this can be confirmed by the physicians who recorded the fact of his death."

On the whole, in Doku Zavgayev's opinion, the situation in the republic remains complex. Above all, because of the worsening crime situation. Significant growth in murders has been noted recently — an average of five or six cases every day — as well as an increased frequency of thefts and violent attacks.

As though in confirmation of these words ITAR-TASS has reported, citing Ruslan Martagov, press secretary to the head of the republic, that an international gang was neutralized recently in Groznyy. For several months it had been perpetrating thefts and murders on the republic's territory. According to Martagov, the gang consisted of 16 people. Two bandits are residents of Mozdok [North Ossetia], one is from Georgia, and the rest are residents of Chechnya.

In conclusion, a brief commentary on the meeting that never took place between Anatoliy Kvashnin, commander of the North Caucasus Military District, and Aslan Maskhadov, chief of staff of the separatists' armed detachments. As is known, the place and time of the meeting had been fixed. But, so the separatists' representatives declare, "for technical reasons" Maskhadov did not come to the meeting. Nevertheless, Sergey Slipchenko, press secretary of the State Commission for the Settlement of the Crisis in Chechnya, reported yesterday that Kvashnin and Maskhadov have confirmed their readiness to meet and regard a meeting as essential to the practical implementation of the accords reached earlier on the military block of questions. Sergey Slipchenko pointed out that all questions of the organization of this meeting have been settled — communications and the safety of the members of the separatists' delegation have been ensured (incidentally, precisely the question of Maskhadov's safety might have been the real reason for the failure of the scheduled meeting to take place — A.P.).

The next session of the State Commission for the Settlement of the Situation in the Chechen Republic will take place next Wednesday under the chairmanship of Russian Prime Minister Viktor Chernomyrdin. According to Sergey Slipchenko, the session will be held with a narrow circle of participants and will be of a closed nature. The commission members will discuss questions of implementing a six-month work plan.

Russia: Chechen Separatists' 'Political Games' Viewed

MM3107090196 Moscow KRASNAYA ZVEZDA in Russian 31 Jul 96 p 1

[Article by Oleg Andreyev: "In Chechnya Today They Are Not Only Shooting, But Playing Political Games Too"]

[FBIS Translated Text] It is not difficult to determine who really does not want the Chechen war — it is the ordinary citizens who have found themselves in the zone of hostilities by the accident of where they live, and the servicemen and their relatives. And if they had their way, they would have ended this long-drawn-out bloodshed in a single day. But, as we know, a war is not only a succession of tactical maneuvers, but also politics mingled with economics. So by no means everything depends on the will of the rank-and-file participants. Let us say more — nothing at all depends on them. Only the state itself can end the war. By one of two possibilities — either by the full attainment of military objectives, or by compromise. But that needs a certain state will, plus political or military resolve — depending on which possibility is chosen.

If you remember, the course of events in Chechnya has developed by the following stages: combat successes for the federal forces, peace talks, the breaking of agreements, and — war again. That pattern has been repeated three times now. And the remarkable thing is that, every time, it was the military command that our professional "peacemakers" rushed to accuse of

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escalating the conflict, although there was plenty of evidence that the military were not the first to use weapons. And if certain representatives of the command are now coming out in favor of the resolute completion of the military operation, one can understand them. The Army cannot go on fighting forever, the Army cannot fulfill tasks which are unclear, the Army is tired, ultimately, of futile losses.

At the same time, recently people have been saying increasingly frequently that the federal forces' activeness is dictated by the possibility of the continuation of the talks process soon. The military, they say, are in a hurry to achieve big results before the chairs are placed around the conference table again. One cannot help noticing the criticism in this claim. In addition, the military are criticized for supposedly "preempting events" and interfering in the political process, which, in their opponents' view, does not fall within the competence of the command of the Grouping of Federal Forces in the Chechen Republic.

I repeat. War has always been considered a component part of politics. Furthermore, it should be taken into account that Chechen events look rather different seen from the trenches than they do from offices and reception rooms in the capital. At least, it is sometimes easier get to the bottom of the situation and understand the crux of a particular phenomenon if one is on the scene. Take, for instance, the recent "political revelation" about the new force that has supposedly appeared in the separatists' camp. This refers to the attempt on the life of Aslan Maskhadov, chief of staff of the Chechen armed formations.

As Sergey Slipchenko, press secretary of the State Commission on a Settlement in Chechnya, says, the attempt was carried out by a group of terrorists led by the resurrected Salman Raduyev. According to him, Raduyev is opposed to the negotiations process and has every reason to try to hinder Maskhadov's intentions of meeting with Colonel General Anatoliy Kvashnin, commander of the North Caucasus Military District. Sergey Slipchenko categorically ruled out the possibility of a subunit of the federal forces being involved in the attack on Maskhadov, saying that they "have done and are continuing to do everything possible to organize a dialogue on the practical implementation of the accords on the military package of questions." Lieutenant General Konstantin Pulikovskiy, acting commander of the Combined Grouping, has also denied involvement in this incident. But he does not think the attack was a result of infighting among the gunmen. In his opinion, the report of the attempt on Maskhadov's life is a "political game" that the separatists are playing.

It should be noted that this is the view that prevails in military circles. And it has some foundation. At least, the unexpected appearance of Salman Raduyev in the military-political arena, far from messing things up for the leaders of the so-called Ichkeria, actually gave them a free hand to act on all "fronts" and gave them the freedom not only to fight without rules, but to save face politically if they do have to go to the conference table, even with representatives of international organizations. Raduyev really is an extremely convenient figure. If the need arises, everything can be firmly attributed to him — terrorist acts in Russian cities, provocations, shellings by bandits.... But it is useful all the same to remember that Maskhadov himself is by no means a career diplomat, that he himself is up to his elbows in blood, and that first and foremost he, and no one else, is in command of the main forces of the separatists, who have certainly not laid down their arms. In just the past 24 hours in Chechnya there were something like 10 armed attacks on the federal forces' positions, two servicemen were killed, 17 were wounded....

It is highly dubious that all this is being done "spontaneously" — by the intransigent Raduyev and "disobedient" field commanders. But if so, what is the use of conducting a dialogue with Maskhadov, whom nobody obeys....

Economic Issues

Russia: Government's Monetarist Policies Attacked

MM3007154196 Moscow PRAVDA-5 in Russian 27 Jul 96 pp 1, 2

[Article by Ivan Boltovskiy under the "Games Without Portfolios" rubric: "Government, Show Your Face!"]

[FBIS Translated Text] The radical reformers have perceived the return to power of A. Chubays, who has been rewarded for his past merits with the description "national allergen" and "an interesting person with a sharp mind," as a signal for the last definitive battle to remove the state from the economy. The team led by Ya. Urinson, deputy minister of the economy, hurriedly set about concocting a completely monetarist version of the government. In accordance with this, the 128 existing ministries and other organs of state administration were supposed to be cut to 22-25. If you cut them, you might as well do it properly! State regulation of the market is the chronic toothache of the monetarists.

Urinson's project contained no trace of the Ministry of Fuel and Energy or the Committee for Metallurgy, which have not allowed their sectors to be destroyed once and for all.

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The Ministry of Foreign Economic Relations, which has actively defended the domestic commodity producer, has also been categorized as objectionable. It was on its initiative that the "Federal Program for the Development of Export" and the Law "On State Regulation of Foreign Trade Activity" were adopted, which encouraged the development of high techology exports, moving Russian commodities onto the foreign market and protecting them against unscrupulous foreign competition. What is good for Russia is obviously bad for the monetarists, so down with the Ministry for Foreign Economic Relations!

Fortunately, the plan of Urinson, who has reduced the state to the role of the British queen, is apparently not being implemented in full. Judging by press reports, V. Chernomyrdin has managed to hold onto 50-60 ministries. The decision of the Main Prosecutor's Office to institute criminal proceedings in connection with the detention at Government House of S. Lisovskiy and A. Yevstafyev — who were collaborating under Chubays' direction in the president's election headquarters — has definitely dampened the reformers' revolutionary fervor. After all, the threat of punishment in accordance with the article on illegal deals involving currency securities is now hanging over the new boss of the presidential staff too.

However, at the moment the question is not who will receive ministerial portfolios. The tendency that has been established to develop the economy in the interests of the financial bureaucratic elite stands out among Russia's misfortunes. National production is disadvantageous to this elite, because it does not bring in the kind of profit that can be derived from speculative trade and currency transactions. If this is not the case, then why does the bias toward raw materials increase every year in heavy industry, while machine building and the processing sectors are going into decline? Because the export of raw materials is the only way of making a lot of money quickly. In the first six months of this year, the fuel and energy complex accounted for 66 percent of the total sum of budget revenue — that is what Russia is living on today!

Having raised the price of energy sources, the new proprietors of the mineral wealth have reduced their consumers to a state of no money and fainting fits caused by hunger. The government is annoyed with them because arrears into the budget are growing, having increased from 31.5 trillion rubles [R] in January to R61.3 trillion in June. Where will enterprises find the money to pay taxes if they have no money to develop production? It would appear that we should hold the raw materials and power industry sectors accountable for the fact that they are inflating the price of their output. But they are not to blame either, because they have been placed in a situation whereby export is their only means of existence. The government and those who forced upon it the economic policy which it is currently pursuing should be held accountable.

The total volume of investment in the first five months of this year has decreased by 12 percent and has fallen to seven points below last year's level. Clearly, the economy is in an impasse, and it is time to change the guidelines.

Foreign capital investment only accounts for 7 percent of the flow of investments into production. If this volume were to be increased tenfold, then the economy might start breathing again. But a leap like that is completely unrealistic. No matter how you look at it, the only solution is to channel all energy and funds into the development of production. However, just as it did before, the Kremlin is harping on the same old string about foreign countries helping us, as though it were somehow not compulsory for us to do any work ourselves.

S. Fischer, deputy managing director of the IMF, who was in Moscow recently and who inspected the activity of the government under the IMF's care, unexpectedly postponed the next portion of the extended credit. This is over $300 million! According to certain reports, Fischer was displeased at the low rate of tax collection. Now, in order to receive the utterly vital money, the government will have to grab the producers by the throat, and they are barely surviving as it is. That is the price we will have to pay for the West's "help." On the other hand, the oil and gas complex has been given the green light! At the latest sitting of the Gore-Chernomyrdin Commission, potential investments to the exporters who are supplying foreign countries were set at $70 billion. By the year 2000 the volume of direct investments in the fuel and energy complex will be 12 billion. In order to receive this enormous sum of money Russia is required to fully open up the fuel and energy market to U.S. financial-industrial capital. All the indications are that U.S. Vice President A. Gore and Premier V. Chernomyrdin have struck a deal. So that investments will really be made in Russia, but not as far as the domestic producers are concerned.

Another type of "aid" proposed by the United States is materializing in the Russian-U.S. consultative forum on the capital market, created by decision of the Gore-Chernomyrdin Commission. It will be involved — no, not in production — in investments in securities. The Central Bank has already ratified a new plan for giving foreigners access to the state securities market in which Russian and foreign banks are given a broader

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opportunity for currency speculation. The treasury will get its hands on something too. By selling securities, it may obtain $2-2.5 billion, which it will have to pay back, of course. Meanwhile, the contribution for servicing the internal debt will soon reach 35 percent of all budget expenditure even without this increase. How can you talk about a change in government policy if this year the Kremlin intends to cover 60-65 percent of the budget deficit with foreign loans? Bogged down in debt, the government will do what the United States and the IMF will tell it to do, and the people will have to live as best they can.

The aforementioned Fischer demonstrated the IMF's attitude to ordinary Russian people. Western experts estimated that Yeltsin's preelection gifts handed out to the people were worth $10-12 billion, and decided that these were excessively expensive. And then, on Fischer's instructions, it must be assumed, a task force for working out and implementing urgent stabilization measures in the economy was formed under Chernomyrdin's leadership. Looking at the name of the task force, you might think that its task is to improve production. Nothing of the sort. No sooner did it take shape, it immediately repealed 77 government decisions about providing various kinds of financial aid, some of which was for the defense industry workers and the agrarians. The West is not worried about the fact that this will cause a further increase in unemployment and the impoverishment of the population. And this is understandable. The people should be looked after by their own government. It is looking after them — it is driving petroleum, gas, and precious metals and precious stones abroad. Thus, precious metals and stones worth R12 trillion were sold in the first six months of this year.

What will be sold off next? Land?

Russia: Illarionov Warns of 'Inevitable' Surge in Inflation

MM3007172396 Moscow ROSSIYSKAYA GAZETA in Russian 30 Jul 96 p 2

[Unattributed account of interview with Economic Analysis Institute Director Andrey Illarionov under the "Forecast" rubric; date and place not given: "It Is a Characteristic of Money Never To Be Where It Is Particularly Needed. Andrey Illarionov Proposes That the State 'Privatize' Its Commitments"]

[FBIS Translated Text] Russia will be unable to avoid a dramatic situation in the economy or unorthodox proposals to overcome the crisis.

Embarking on a postelection economic "debriefing," Economic Analysis Institute Director Andrey Illarionov noted that, in his opinion, next year will be the most difficult one for the economy. A surge in inflation is inevitable. Instead of the planned growth, we experienced a 5-percent slump in the first six months of the year and clearly can no longer hit even the zero-growth mark. During that time investment fell by 13 percent — almost as much as in the whole of 1995. Nor should any significant increase in foreign investment be expected.

But how can all this be squared with the obvious achievement of financial stabilization? According to Illarionov, stabilization has been achieved, but by the wrong means: There was a need to combat inflation while at the same time reducing the budget deficit and budget expenditure. The countries of East Europe have done all this, according to the Economic Analysis Institute director, and have embarked on the path of growth. In our country, however, inflation has been converted into state debt, which hangs over the economy like the sword of Damocles. Whereas the amount of credit issued to the Finance Ministry and industry by the Central Bank fell by 8 percent of GDP last year, the state debt increased by 9.5 percent, that is to say, it backfired. Debt rose by $20 billion, or 10 percent of GDP, in the first half of the year. All this, in Illarionov's opinion, has resulted in a situation where, instead of the single "easily soluble" problem of high inflation, several far more dangerous and difficult problems — the payments, budget, and investment problems and, finally, the looming banking crisis — have emerged.

What is to be done? The economist proposes that the state give up a whole series of functions and "privatize" its commitments, for example, give up subsidizing the running of municipal services.

I asked the economist about the problem of the shortage of money for servicing economic turnover. In Illarionov's opinion, the problem does not exist, it is just a myth, and the level of monetarization of gross product (money supply as a proportion of GDP) — 12 percent in Russia as against 120 percent in the United States — reflects the low level of demand for the national currency.

The budget crisis was provoked by the state, because four-fifths of the tax shortfall (which totals R61 trillion) is legal and, according to Illarionov, down to all manner of tax exemptions.

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Russia: Cabinet Uncertainty Heightens Budget Crisis

MM3007144296 Moscow FINANSOVYYE IZVESTIYA in Russian 30 Jul 96 p 1

[Article by Yevgeniy Vasilchuk: "Budget Crisis Leaves No Time for Pondering Cadre Questions"]

[FBIS Translated Text] Uncertainty persists over the future of the economic course and the composition of the cabinet. Less and less hope is left that the new government will adopt measures capable of extricating the country from the budget crisis and general economic crisis.

All the indications are that instead of major adjustments to the economic course, Russia can expect a peaceful reorganization of the state administrative apparatus with its inevitable concomitants — the reshuffling and reduction, by the standard 30 percent, of administrative cadres. The task of formulating an economic strategy and creating a modern system of state regulation of the economy has not even been raised. Yet without such a system there will be no point in the planned reorganization of the state apparatus — however perfect the state apparatus itself ends up as a result. The government will continue to tag along behind events and drown in a sea of paperwork and interdepartmental squabbles. The rapid multiplication of new operational staffs and extraordinary commissions will continue. With the proposed structural amalgamations, all this will only take on a larger scale and become even more destructive.

The fate of the Tax Code is a graphic illustration. Its general section has already been adopted. The third taxation conciliation commission in recent years is tackling secondary questions of the specialized section of the code. At the same time the fundamental defect of both the general and the specialized sections of the Tax Code — the gulf between an idealized tax system created from above, and its basic function (financial backup for effective budget expenditure at all levels) — still appears to have escaped the notice of the compilers of the code. Nor does the Tax Code satisfactorily regulate budget federalism relations. But worst of all is the fact that there is no thought of changing the real tax system and the tax collection mechanism. Despite all the talk about tax reform, the efforts of the State Tax Service and the Tax Police, the endless improvements to the tax system, and so on, and so forth. Neither the government nor parliament is showing any great interest in drafting and adopting really effective tax and budget legislation.

The conspiratorial secrecy over the makeup of the future cabinet is terminally disrupting the work of the state apparatus. The time for final decisions has not yet come. But it is hardly expedient to drag out the period of uncertainty. The president could have named the presidential candidate within 12 hours after the elections. Why the Russian leadership needs more than a month to choose candidates if only for three or four key posts in government remains unknown. Consequently no end to the organizational and personnel confusion is yet in sight.

Nor can it be ruled out that the candidacy of the head of the cabinet himself may not be 100-percent certain as a result. At least, nearly all the well-known contenders for top posts in the government are capable, all else being equal, of forming a new cabinet themselves.

The IMF, finally, did its bit to further complicate the already strained financial situation in Russia. A rather prolonged period of warm and mutually advantageous relations between Russia and the IMF has finally ended. After Boris Yeltsin's presidential election victory, instead of the expected thaw in Russia's relations with the West, a period of more or less well concealed confrontation is beginning.

The first symptom is the very humiliating lesson that Russia was recently taught by the IMF. The IMF held back the granting of the net tranche of extended credit "for technical reasons." The official "technical" version of the deferral was readily supported by the Russian side.

At the same time this story — involving the summer vacation of the IMF board of directors — does not stand up to criticism at all. The general agreement between Russia and the IMF on extended credit and the terms for granting it was signed back in the spring. Since then much has happened in Russia's economy and economic policy that would have enabled the IMF openly and with justification to have suspended the allocation of credit — either before or after the elections. Instead, at a certain point in time high-ranking officials of the IMF and the Russian Finance Ministry preferred to hide behind vague "technical" formulas.

Given the will, nobody and nothing could have prevented the IMF from adopting a technical decision on allocating the next tranche on a working basis. The IMF would still have the option subsequently, in the event of Russia's violating any of the terms of parameters of the agreement, to impose various penalties on it.

But that would be the case only if it was a question of the Russian economy alone. The reference to technical reasons for delaying the IMF credit tranche proved

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all but irrefutably that it is a nonpolitical organization whose leading member countries have clearly expressed political interests.

The Russian budget is now directly dependent on IMF credits. The consequences to the country of the IMF's technical delays might be far from technical. People at the IMF cannot fail to realize this, and even more, to have an interest in it. So the effective suspension of credit is an unambiguous hint to Russia by the leading IMF member countries as to the undesirability of displays of activeness in certain areas of noneconomic policy.

The explanation is simple. The threat of the restoration of a totalitarian military-economic state in Russia has passed. In the foreseeable future the West has no reason to fear the coming to power of antidemocratic forces in Russia. Consequently there is no reason to act with an eye to the probability of such a turn of events.

However, for Russia, Boris Yeltsin's victory means another step toward the rebirth of Russia's statehood and the substantially tougher defense of national economic and geopolitical interests. The classical "confrontation between two systems with opposing socioeconomic structures" is being replaced by equally classical contradictions and struggles for spheres of influence between Russian and foreign transnational capital.

Sober reflection can suggest no other reason.

Russia: Government Discusses Privatization Program

MM3007135696 Moscow ROSSIYSKAYA GAZETA in Russian 27 Jul 96 pp 9-10

[Report by Maksim Zarezin under the rubric "Privatization Program": "Authors Proposed Rules of the Game. Critics Demand Forecasts and Valuations" — from the "Business in Russia" section]

[FBIS Translated Text] Discussion of the new privatization program at a government session led to the renewal of old quarrels.

The program's classification of facilities as subject (or not) to privatization does not materially differ from the previous one, except for one point: Flotation used to take place "after consideration of the opinion" of the sector ministries, but in reality their opinion was given no consideration whatsoever. Thus Yuriy Shafranik recalled that all the investment dealings in the fuel and energy complex took place without the participation of the Ministry of Fuel and Energy. There will now be a requirement for the government departments responsible for the sector to approve the privatization of a structure within their bailiwick. This step brought an immediate reaction: Minister of Communications Vladimir Bulgak asked a radiant Alfred Koch, first deputy chairman of the State Committee for the Management of State Property [Goskomimushchestvo], to transfer TV and radio relay centers from the class of facilities not subject to privatization to the "generally available" list, since their fate is in the ministry's hands anyway. The list of enterprises which remain state property is subject to the government's approval, although obviously the State Duma is trying to get hold of this right for itself. The government also intends to regulate the participation of foreign investors in strategic industrial sectors.

The program also preserves former methods of privatization: auctions, investment competitions, and buy out of a lease enterprise by the collective. True, now the winner of an investment competition concludes a contract not only with the Russian Federal Property Fund, but also with the enterprise itself. This gives rise to legal relations between them and the enterprise acquires the right to go to court if the obligations under the investment competition are not fulfilled. (Right now the Russian Federal Property Fund is checking the results of investment competitions.) In Alfred Koch's opinion, one thing which is still undervalued and awaiting recognition is the sale of a liquidated enterprise's property and of uncompleted facilities. One innovation is the sale of secondary securities backed by shares in state property. Last year this scheme was tried out fairly successfully with convertible Lukoil bonds.

The starting price for the property of an enterprise undergoing privatization will also change — it will be determined not on the basis of its book value on a given date, but for the quarter preceding privatization, "taking account of market value," as Mr. Koch put it. First Vice Premier Vladimir Kadannikov added that it is also important to consider potential profitability, which particularly applies to trade and service sector facilities. Duma Property Committee Chairman Pavel Bunich was in even more critical mood when he recalled that parliament recently adopted a law on valuation at its second reading (the third reading is planned for October) which provides only for market valuation, carried out by professional valuers, and called the Goskomimushchestvo's suggested variant a "surrogate."

The program liberalizes the procedure for acquiring real estate. Whereas nonresidential rented premises could previously be bought only by an economic entity created in the process of privatization, now this right is extended to all corporate bodies. True, the status of the land on which enterprises stand and the procedure for acquiring these plots are still unclear. The Goskomimushchestvo and the Ministry of the Economy advocate opposite positions: buy-out and

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free transfer, respectively. Vladimir Kadannikov, having acknowledged that the government has not yet worked out its final position on this question, summed up: It is time to commit ourselves one way or another.

The government is no longer bound by any limits and will determine the size of the state share separately in each case: The program does not have the previous strict gradation of the size of the blocks of shares held by the state ("Golden Share," 25 percent + 1, 50 percent + 1). Pavel Bunich noted in this connection that it would also be logical to abolish the fixed three-year limit on the state holding of shares, which creates a constant need to make decisions about postponing release. The program also abandoned the 10-percent quota that applies to the formation of the incorporation capital of holding companies. The size of the block was again left to the government's discretion.

The main criticisms of the program concerned the absence of any time or quantitative limits. In the opinion of First Vice Premier Oleg Lobov, the document presented falls far short of a program, resembling more a collection of regulations without any beginning, end, forecast of future developments, or concrete objectives. Similar criticisms were voiced by Pavel Bunich, who wanted to know what proportion of enterprises it is planned to privatize.

Vladimir Kadannikov agreed that a deadline should be set for implementing the program, but insisted that privatization needs rules of the game rather than quantitative indicators and the planned targets they entail: The initiative must now come from below, from the enterprises themselves.

The appearance on the platform of Doctor of Economic Sciences Anatoliy Kulikov, who heads the Ministry of Internal Affairs, was met by a hum of excitement, a sign of the general's confirmed reputation as a troublemaker. His speech concerned not so much the program itself, as a general appraisal of the course of privatization, and was a development of the famous March theses, also delivered by the minister at a government session.

In Anatoliy Kulikov's opinion, privatization has seriously weakened national security — certain very important plants have already been lost to the defense sector (the minister gave a whole series of examples), so the flotation of all enterprises serving military needs must be banned, and the results of privatization in export-oriented sectors should also be partially reconsidered.

Anatoliy Kulikov also argued for standardization of post-privatization monitoring and audit and of the use of funds received from privatization, and in conclusion proposed the creation of a state commission for the inventorying of privatized enterprises. Curiously, a similar thought was expressed by Pavel Bunich, who proposes to put privatization monitoring on a solid foundation by making a special ruling on it.

At this point Justice Minister Valentin Kovalev decided to reveal his position, firmly declaring that there can be no question of deprivatization unless there have been actual breaches of the law and that in general the government should come to the defense of property owners' rights in order to avoid finding itself in an ambiguous position. The same opinion is shared by Vladimir Kadannikov. We are not going to set off down the road of reviewing what has already been done and plunging the country into a new wave of redistribution.

And that is what they decided. As is well known, at the beginning of August, after revision in the light of comments, the program is due to be approved by the government and passed to the State Duma. Thorough scrutiny obviously awaits it there and we can look forward to new debates, revelations, and rows.

Russia: Far East Oil Pipeline Project Viewed

MM3007130196 Moscow TRUD in Russian 25 Jul 96 p 2

[Report by Albert Kozlov under the general heading "Energy in Russia. TRUD at Country's Fuel and Energy Complex Facilities. Issue No. 39": "Projects. Eastern 'Pipeline' Summons Us. Will a New Main Oil Pipeline Be Laid From Lake Baykal to the Pacific Ocean?"]

[FBIS Translated Text] In my opinion the narrowness of the "fronts" on which Russian businessmen operate often hinders the economy's development. It is, for example, a good thing that in the face of great difficulties our celebrated fuel and energy complex is continuing to stubbornly "force open the window" on Europe and its energy resource market. But the gates are wide open to another market — the Asia and Pacific market, in which the United States, Japan, and other developed countries are now showing great interest — and energy resources can be sold there at a higher price.

Incidentally, the world community is ready to invest up to $20 billion in the development of the Asia and Pacific Region's fuel and energy complex during the next two years. These funds will be available to China, South Korea, Vietnam, and Indonesia; Russia could also perhaps benefit from them....

Today main pipelines link Europe and Russia right up to Lake Baykal. There are a "mere" 4,600 km to go before we reach the Pacific Ocean. And if pipelines were to be laid, say, from Angarsk to Nakhodka, the

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two energy systems of the East and the West would be joined together.

"We have miscalculated with regard to how much its construction will cost and how much it will give Russia," according to TON Company President Sergey Fokin, who is one of prime movers behind the construction of the "Eastern pipeline." At present the energy demands of Eastern Siberia and the Far East are at best 40-percent satisfied for oil and 15-percent satisfied for gas. And the energy resources that are received cost a pretty penny owing to their overly expensive delivery tariffs. For this reason oil refineries in Khabarovsk and Komsomolsk-na-Amure often stand idle....

The TON Company has not only raised the question of the construction of a pipeline but has also drawn up a comprehensive program for the transfer of oil and petroleum products entitled "Project STO (Siberia-Pacific Ocean)."

There is a proposal to build a petroleum products pipeline between Nakhodka and Khabarovsk (800 km) as the **first** stage of this construction project. A number of experts think that putting it into service will solve the fuel problem in Maritime Kray and will help obtain additional funds to implement other smaller programs.

The oil pipeline to the ocean may be laid along three routes. Along the Trans-Siberian Railroad from Angarsk to Chita, Khabarovsk, and Nakhodka, with branches running from Komsomolsk-na-Amure to China. Why to China? Because it is at present trying to develop its northern territories, and the Siberian energy resources would come in very handy.

The **second** route would run along the Baykal-Amur Railroad to Tayshet, Khabarovsk, and Nakhodka. It would have the same branches. This route is, however, more expensive than the first.

The **third** proposal is to lay the pipeline along the Chinese Eastern Railroad through Chinese territory.

What will this cost? It is estimated that, taking into consideration the reconstruction of oil storage facilities and the construction of a new terminal for large-capacity ships in Maritime Kray, the oil pipeline from Angarsk to Nakhodka and the petroleum products pipeline from Khabarovsk to Nakhodka will cost approximately $6 billion. The gas pipeline from Eastern Siberia or the Republic of Sakha-Yakutia will, according to preliminary calculations, cost $5 billion and the alternative route from Sakhalin around $2 billion. Another $2 billion are required to build an oil refinery in Nakhodka. The cost of the whole project may total between $6 and $13 billion depending on which route is chosen. With the proviso that the oil pipeline's capacity should be 30 million tonnes and the gas pipeline's capacity 30 billion cubic meters per year. Then the costs will be recouped over a 10-year period (while the pipelines' working life is 20 years).

As we can see this is a very large-scale project. It is unlikely that some company or bank will manage to execute it on its own. The TON Company has, together with the administration of the Nakhodka Free Economic Zone (SEZ) and the Maritime Kray Shipping Line (IMP) Joint-Stock Company, created the "TON-SEZ-IMP" Open-Type Joint-Stock Company and invited Russian and foreign companies and banks to become involved in the project.

Back in December 1995 the prime movers behind "Project STO" approached the Russian Federation Government. It put the project in the hands of the Ministry of Fuel and Energy.

What was the reaction?

Let us consider two quotations.

Deputy Fuel and Energy Minister Ye. Morozov writes in a letter: "In the next few years the chances of state support for the Russian fuel and energy complex in the form of preferential credits and appropriations from the federal budget are extremely limited. Therefore, it is expedient to finance 'Project STO' from the budgets of the Russian Federation components, the Siberian and Far East Regions, as well as by attracting domestic and foreign investment."

R. Mukhametzyanov, first vice president of the 'SIDANKO' Siberian and Far East Oil Company, writes in a letter: "'SIDANKO' Joint-Stock Company on the whole supports the creation of a nonstate long-distance pipeline transfer enterprise **in the company's area of responsibility (! — A.K.).** However, taking into consideration the company's large debt to the federal budget and a number of other significant circumstances, the 'SIDANKO' Joint-Stock Company does not at present have the finances to participate in this project." (Incidentally, after being approached by the prime movers behind "Project STO," the debts and "significant circumstances" did not prevent "SIDANKO" from signing an agreement on the construction of a pipeline across Mongolia and China to the Yellow Sea which received coverage in the press. It seems that this pipeline will bypass the interests of our Far East.)

I want to dwell in particular on the wording of one phrase in R. Mukhametzyanov's reply — "in the company's area of responsibility." By what legal norms and by whom is this zone defined? Surely we are living by the laws of the market economy in which competition is

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normal? Or do we still exist in these doubtful "zones," where cities, streets, and sections of the city are divided into spheres of influence and are given over to some "figure of authority" or other?

The weak interest or complete lack of interest among our specialists in "Project STO" (so far TON has an agreement with "Rosneftegazstroy" Joint-Stock Company, the "Orgproyektekonomika" Oil and Gas Union [NGS], and several others) is a phenomenon that is commonplace these days. On the other hand foreigners are displaying an enviable level of activity. The Japanese company Mitsui and Co. Ltd. has signed a declaration of intent with TON. It is ready to structure the most suitable plan for the project and also agrees to supply the necessary equipment, materials, and services.

Also ready to cooperate are other foreign companies which see a great future and profit in "Project STO." But Russian business circles are as always taking a long time to get into gear, though the pipeline to the ocean not only means a solution to the Far East Region's energy shortage and foreign currency receipts. Pipelines also mean new jobs, new technologies and equipment, and the construction of roads, housing, and an entire infrastructure. Finally, this means an influx of capital into Eastern Siberia and the Far East. And access to the promising Asia and Pacific market.

It seems clear that we have to make a start. But it has become established here that until the word comes from above nothing will happen. This is why those behind the project and Maritime Kray Governor Ye. Nazdratenko are writing to the Russian Government, the Federation Council, and even Security Council Secretary A. Lebed about the necessity of building the "Eastern pipeline," stressing the fact that this project should be deemed a nonbudgetary state program of strategic significance for which patronage should be provided. They hope that those in the leadership will hear and support them.

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International Affairs

Ukraine: Delegation Rejects CIS Long-Term Integration Plans

WS3007074696 Lvov INFOBANK in English 0658 GMT 30 Jul 96

[From the "News Service" feature]

[FBIS Transcribed Text] At July 26 meeting of the Interstate Economic Committee of CIS countries, the Ukrainian delegation headed by Serhiy Osyka, minister of foreign economic relations and trade, announced that Ukraine does not agree with the items of the long-range integration plan of CIS countries for 1996-1997 related to customs union and common monetary policies. The plan, accepted in general, will be submitted for approval at the nearest CIS summit.

As head of Department for Multilateral Cooperation With CIS Countries at the Ministry of Foreign Economic Relations and Trade Vadym Belyayev told the INFOBANK correspondent, Kiev rejected draft proposals on cooperation and coordination of activities with CIS countries in the monetary sphere. The Ukrainian delegation also did not agree with the proposed stabilization in CIS light industry based on the introduction of unified system of tax exemptions. Kiev also rejected the proposed creation of the interstate bank of CIS countries and the setting up of the transnational industrial-financial group on maintenance and repair of aviation equipment based at Moscow AviaTehServis (aviation technical servicing) works. Vadym Belyayev added the project on the creation of industrial-financial group was rejected because the Russian side who submitted it did not substantiate it well enough.

Ukraine: Kiev To Declare Unchanged Position on BSF at Moscow Talks

LD3007110896 Kiev UNIAN in Ukrainian 1030 GMT 30 Jul 96

[FBIS Translated Text] Kiev — Ukrainian Foreign Minister Hennadiy Udovenko will discuss the "most difficult aspects" of Ukrainian-Russian relations with Russian Foreign Minister Yevgeniy Primakov during a working visit to Moscow on 1-2 August, Yuriy Serheyev, head of the Foreign Ministry information directorate told a news conference on 30 July. He said the issues would include the division of the Black Sea Fleet, a treaty on the delimitation of the Ukrainian-Russian border, preparations for Russian President Boris Yeltsin's visit to Ukraine, and the signing of a broad political treaty between the two countries.

Serheyev stressed that during the negotiations — in which Ukraine lately played the initiating part — the Ukrainian delegation would be guided exclusively by the Ukrainian Constitution. He expressed hope that "realistic assessment of the situation and a constructive attitude on each side" would dominate the talks.

The head of the information directorate added that Udovenko also planned to hold talks with Aleksandr Lebed, head of the Russian Security Council and members of the Russian Government involved in the negotiations.

Serheyev stressed that Ukraine's position on the division of the Black Sea Fleet was "a matter of principle" and remained unchanged. Both the Ukrainian and the Russian fleets are to be deployed in Sevastopol, "and this is the premise on which Ukraine proposes bringing the negotiations to their logical conclusion," he said. Serheyev added that talks on the fleet were "slowly making progress."

The Foreign Ministry official said the ministry again sent a note of protest to their Russian colleagues pointing out the unacceptability of interference into Ukraine's internal affairs by certain Russian politicians, whose statements on Crimea and Sevastopol could "damage the constructive talks on fleet problems."

Ukraine: Black Sea Fleet Stance To Be Based on New Constitution

LD3007173896 Moscow INTERFAX in English 1709 GMT 30 Jul 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] KIEV, July 30 (Interfax-Ukraine) — Ukraine's position during future negotiations with Russia on settling the Black Sea Fleet problem will be based on its legislation, and primarily on the recently adopted constitution, Ukrainian Foreign Ministry spokesman Yuriy Sergeyev told a briefing in Kiev Tuesday.

"A new political atmosphere" has appeared "after the elections in Russia and the adoption of the constitution in Ukraine which grants an opportunity to continue the negotiation process even before the formation of Russia's new government," he said.

The working visit of Ukrainian Foreign Minister Hennadiy Udovenko to Moscow scheduled for this week "serves this goal," Sergeyev said.

The problem of the Black Sea Fleet and the legal basis for forming a border between the two countries are the major issues not as yet settled in Ukrainian-Russian relations, he said.

"The Ukrainian city of Sevastopol cannot be used as a base for the Russian Navy," he said. "The matter may

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concern defining the place of stationing of the Russian ships in this city," he said.

Ukraine's Foreign Ministry last week forwarded a note to Russia's Foreign Ministry expressing "surprise and concern" over statements by State Duma Deputy Chairman Sergey Baburin on the status of Sevastopol and Crimea, Sergeyev said. "However, immediately after this note State Duma speaker Gennadiy Seleznev called Sevastopol 'an outpost of the Russian armed forces' in a greeting telegram to the Black Sea Fleet," Sergeyev said.

It is necessary to view the telegram from the Moscow deputy mayor to the Black Sea Fleet in which he called Sevastopol "Moscow's 11th prefecture" in the same context, he said.

Sergeyev expressed the hope that "the Russian leaders will show realism regarding this issue."

Ukraine: Bizhan Remarks on Georgian Claims to Black Sea Fleet

AU3007145896 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 27 Jul 96 p 1

[Unattributed report: "Georgia Lays Claims to a Part of the Black Sea Fleet"]

[FBIS Translated Text] **The Georgian Defense Ministry is about to complete its work at on a concept for protecting the coastal line, then Tbilisi "will turn to the Governments of Russia and Ukraine with concrete data on the part of the fleet that belongs to Georgia," Georgian Foreign Minister Irakli Menagharishvili said at a news conference in Tbilisi on Wednesday.**

Speaking about Georgian claims to a part of the Black Sea Fleet, I. Menagharishvili pointed out that negotiations on this issue with the two countries "are proceeding quite successfully, and there shouldn't be any complications."

Previously, Ukrainian Deputy Defense Minister Ivan Bizhan, commenting upon an earlier statement by representative of the Georgian leadership on Georgia's claims to a part of the Black Sea Fleet, stated that Georgia can count on some of the fleet's vessels stationed near its ports.

Ukraine: Goals of Lazarenko's U.S. Visit Explored

WS3107095596 Kiev KIYEVSKIYE VEDOMOSTI in Russian 29 Jul 96 p 3

[Commentary by Valentyna Symkovych: "What Did Our Prime Minister Present in Washington and How?"]

[FBIS Translated Text] He went to America to get money. This was how the average Ukrainian described — without diplomatic subtlety — the new prime minister's visit to the United States.

Diplomats were somewhat confused with regard to the official name of this visit. This came as no surprise; the idea of conducting the visit arose as recently as 10 days ago, when S. Talbott, U.S. deputy secretary of state, arrived in Kiev. So everything was prepared within an incredibly short time — seven days.

The initial version — "the first working visit to the United States" (another option: "a working trip") — survived less than 24 hours. It became clear that Pavlo Lazarenko would hold most of his meetings not at Washington's national institutions, but at international ones — the IMF, the World Bank, and OPIC (Overseas Private Investment Corporation). Hence the second version — "a visit to international financial organizations." However, Pavlo Lazarenko held meetings with a U.S. presidential adviser, the secretary of the treasury, and the acting secretary of state. So even 24 hours later, when we returned to our native Ukrainian airliner, Foreign Minister Hennadiy Udovenko said that this visit should be described as a presentation of the new Ukrainian prime minister, who was the first one to be appointed in accordance with the new Constitution.

Why have I mentioned these secondary details? I think that this "constant" renaming of the visit confirms that Pavlo Lazarenko (as well as the entire delegation) went to America on such a many-sided and multipurpose mission so that it was hard to think of a name for it.

To put it in a completely simple and intelligible manner, Lazarenko was sent to charm America and convince it that Ukraine's prime minister and president are in the same boat — moreover, in the president's boat.

As for boats, the most popular joke made during the visit was a dialogue between the Ukrainian prime minister and IMF Managing Director Michel Camdessus.

"Do you agree to sail with us in the same boat," Lazarenko asked?

"Oh yes," Camdessus replied, "but I would not like to embark on a sinking boat."

The presence of well-known oarsmen-reformers [Deputy Prime Minister] Viktor Pynzenyk, [National

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Bank Chairman] Viktor Yushchenko, and Roman Shpek [National Agency for Reconstruction and Development chairman] was to enhance the opinion that Ukraine will not submerge its boat, but energetically row toward reforms.

"President Kuchma — and it was him who reached an agreement on this visit with the U.S. side — set it as our task to emphasize that the course toward economic reforms is irreversible," Foreign Minister Hennadiy Udovenko told journalists. "It was very important to show that Ukraine's prime minister and president are on the same team. And this has been achieved. I can tell you that this presentation was successful."

This was the diplomat's assessment. However, in an interview with KIYEVSKIYE VEDOMOSTI, economist Roman Shpek, chairman of the National Agency for Reconstruction and Development, especially emphasized that for the "financial" Washington the demonstration of the unity of the president's and the prime minister's actions was not simply important, but most decisive.

According to our diplomats' assessments, our new prime minister was received in a very positive manner. The Americans were impressed by his vigor, dynamism, and ability to conduct discussions, as well as his relaxed style and readiness to engage in banter.

They also very assessed his ability to explain his country. [sentence as published] Certain U.S. journalists said that even Ukraine's problems looked impressive in Lazarenko's monologues.

By the way, Pavlo Lazarenko devoted a lot of time to American journalists, perhaps no less than to financiers. An interview with THE WALL STREET JOURNAL, a news conference at the National Press Club — a very influential organization (there is the opinion that it has been visited by more heads of state than any other international forum) — visits to THE WASHINGTON POST and the "Voice of America," and a conversation with NEW YORK TIMES editors — all of this had its effect as well. As early as the second morning of the visit, employees of our embassy reported with pleasure the following: Here is the first publication of news about the visit. Consider, they said, that American newspapers honored FRG Chancellor Kohl with as few as two news items [as published].

Of course, the Ukrainian delegation returned with specific credit agreements. [The trip was] about money read the next issue of KIYEVSKIYE VEDOMOSTI.

Ukraine: Civic Congress Believes West Trying To Enslave Ukraine

LD2907164596 Kiev UNIAN in Ukrainian 1255 GMT 29 Jul 96

[FBIS Translated Text] Kiev — The Civic Congress of Ukraine believes that the terms on which the International Monetary Fund gives credits to Ukraine "lead to enslavement and contradict Ukraine's national interests."

A statement by the Civic Congress of Ukraine, made available to UNIAN today, says it is necessary to protect Ukraine's economic interests "in cooperation with the historical allies — Belarus and Russia." The Civic Congress of Ukraine claims that Western countries and their secret services are stepping up their expansion: "Some political parties are financed by Western countries," 50 percent of Ukraine's TV information air time belongs to U.S., British, German, and other foreign TV companies. These facts prove that the Cold War has not come to an end, but switched over from the phase of confrontation to the phase of enslavement," the statement says.

National Affairs

Ukraine: Defense Minister Meets With Officials, Views Army Problems

AU3007141596 Lvov ZA VILNU UKRAYINU in Ukrainian 23 Jul 96 p 1

[Report and interview with Ukraine's new Defense Minister Oleksandr Kuzmuk by Ivan Besyada; place and date not given: "The Minister Hits the 'Bull's-Eye'"]

[FBIS Translated Text] **As our newspaper already reported, last week, at the site of basing the 24th Mechanized Iron Division tank regiment in Lvov Oblast, the command of the Ciscarpathian Military District held an organizational and mobilization duty training conference with leaders of the Lvov Oblast Council and Oblast State Administration, rayon state administrations, as well as institutions, enterprises, and educational establishments. Newly appointed Defense Minister Lieutenant General Oleksandr Kuzmuk took part in the conference.**

It was the first time such an undertaking was conducted in Ukraine's Armed Forces. According to Colonel General Petro Shulyak, commander of the Ciscarpathian Military District, who presided over the conference, its objective was to work out concordant views and resolve concrete problems associated with the mobilization readiness of rayons in the oblast, preconscription training, and patriotic education of young people. It also

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had to draw the attention of local authorities to army problems.

The Armed Forces are confronted with numerous problems. Financing is the main one. This year, the Army budget has received just 8 percent of what it needs to cover its minimal needs and just 5 percent of what it actually needs for combat training. Problems of paying salaries to servicemen, supplying them with foodstuffs, paying for the electricity, gas, and basic commodities, and housing are acute for the Army.

It is therefore perfectly natural that the new defense minister considers it his immediate task to extricate the Army from this socioeconomic impasse and also to improve the military discipline and thus also the combat readiness. Great significance is attached to the improvement of mobilization training, something that was not particularly underscored in the Ukrainian Army before.

Colonel General Petro Shulyak gave a brief characterization of the district and its military potential. He particularly stressed cooperation between the military and the oblast leaders and the latters' assistance to the Army for which he expressed sincere appreciation and called it an example to be followed by others.

The question of cooperation between the authorities and the military was further developed by Mykola Horyn, head of the Lvov Oblast Council and Oblast State Administration. He emphasized that the population of Lvov Oblast has always been giving support to the Ukrainian Army and will continue to do so.

Defense Minister Lieutenant General Oleksandr Kuzmuk spoke about these problems, but did so at the level of the Armed Forces as a whole. The following fact is eloquent proof of the seriousness of his intentions to see to it that the aforementioned tasks are fulfilled. After he was appointed minister on 11 July, he had the initial funds allocated as soon as 15 July to pay the arrears to the servicemen.

In conclusion of the first part of the conference, the defense minister's order on promoting the participants to the ranks of reserve officers was read out, and shoulder boards were handed to them.

Then the participants in the conference familiarized themselves with the conditions of service of soldiers in the tank regiment, visited classes, the barracks, the canteen, and the medical unit, and watched shooting exercises at the tank regiment's shooting range. This part of the conference ended in inspecting weapons in the Iron Division's arsenal. The inspection showed graphically that our Army is a sufficiently formidable force and is superior in many respects not only to armies of East and Central Europe, but also to those of West Europe. The substantive commentary by Colonel General Vasyl Sobkov, deputy defense minister and ground forces commander, indicated that our country also possesses considerable potential in manufacturing those weapons.

The concluding part of the conference, which was perhaps particularly interesting to the participants, consisted of shooting exercises using various types of firearms. Defense Minister Oleksandr Kuzmuk, who did not choose Lvov Oblast accidentally for his first visit to the troops, but, as he put it, by force of tradition — his first trip following his appointment as commander of the National Guard was also to Lvov — followed the course of the shooting attentively. Moreover, through his own example, he urged the participants to show thoroughness by actually showing the best result in pistol shooting — 55 points out of 60 (he scored two "tens," three "nines," and one "eight").

During those exercises, your correspondent managed to obtain a brief interview with Oleksandr Kuzmuk to the thunder of the shooting cannonade.

[Besyada] Mr. Minister, how do you assess the course of this organizational-mobilization conference and in particular, Lvov Oblast's leaders' shooting skills?

[Kuzmuk] I am pleased with combat skills of the oblast leaders, especially with their willingness to study military art and the enthusiasm with which they conduct the shooting exercises. The main objective of this conference is to get civilian leaders to know our problems and resolve them jointly with the military. It is our common cause — we work for the state and for the people.

[Besyada] How would you describe the general situation in Ukraine's Armed Forces: What tasks are you primarily setting for yourself?

[Kuzmuk] We need to considerably improve the provisions with funds, so that the people would enjoy warmth in winter and the soldiers' table would offer them an entire assortment of food. Then there will be combat-readiness, skills, and everything else.

[Besyada] What role do you attach to patriotic indoctrination of the Armed Forces and to making the Army in the Ukrainian state truly Ukrainian?

[Kuzmuk] In this respect, the situation with preconscription training is unsatisfactory. We do not yet have patriotic indoctrination of young people. However, I believe that in the Army, all the conditions for this have been created, but we must work on discipline. However, I am sure that we have a Ukrainian Army.

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[Besyada] Will you give attention to further introduction of the Ukrainian language in the troops?

[Kuzmuk] The transition to the state language has already taken place in our country, and I believe that it will not take long for the officers and junior officers to master our state terminology. I am convinced that time is not far off.

Ukraine: Navy Starts Two-Day Exercise in Black Sea

LD3007170496 Moscow INTERFAX in English 1608 GMT 30 Jul 96

[FBIS Transcribed Text] SEVASTOPOL, July 30 (Interfax-Ukraine) — The Ukrainian Navy started a two-day exercise, codenamed Sea-96, in the Black Sea today.

Nikolay Savchenko, chief of the republican Navy's press service, has said the exercise is the first test of the Ukrainian Navy's strength over four years of its existence.

The naval games will be supervised by Ukraine's Deputy Defense Minister and Navy commander Vladimir Bezkorovainy and will be observed by First Deputy Defense Minister Ivan Bizhan.

Talking to journalists, Bezkorovainy said that the exercise's chief goal is to check the Ukrainian fleet's teamwork ability in an operation on the escort of a valuable cargo or personnel.

Taking part will be all services of the Navy and units of the Air Force, Anti-Aircraft Defense, and Odessa Military District, the commander said.

Eight war ships will participate: the coast guard ship Getman Sagaidachny, a big landing craft, four small anti-submarine vessels, a torpedo boat, a medium reconnaissance boat, and two auxiliary vessels.

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Belarus

Belarus: Defense Minister Maltsaw's Visit to U.S. Viewed

WS3107092096 Minsk BELAPAN in English 0658 GMT 31 Jul 96

[FBIS Transcribed Text] Minsk, 30 July — As was reported by BELAPAN, last week Belarusian Minister of Defense Leanid Maltsaw, paid an official visit to the U.S. Because of a very busy schedule during the first days following his return from the U.S. Mr Maltsaw failed to immediately inform the press of the details of his visit. As a BELAPAN correspondent was informed at the Ministry of Defense press office, during negotiations between Mr Maltsaw and U.S. Secretary of Defense William Perry the parties discussed a number of key problems related to the safeguarding of European security, the reduction of conventional armed forces in Europe and the ways to implement bilateral agreements within the framework of the Cooperative Threat Reduction (CTR) Programme.

While in the U.S. the Belarusian delegation held briefings together with their American colleagues to discuss questions concerning the structural organisation of European security, the U.S.'s initiative on regional air space and the advantages of the united system of the anti-aircraft defenses of North America. During meetings with high-ranking officials in the Pentagon, the Department of State and the U.S. Security Council, the American party expressed understanding with respect to the necessity of more intensive assistance to Belarus in environmental restoration in former Strategic Rocket Forces bases, including by deliveries of special equipment to the country. Representatives of these bodies promised to consider the possibility of granting special equipment on completion of the works for its subsequent use for ecological purposes. At sessions of the Belarusian-U.S. working group, which were held simultaneously with the Belarusian defense minister's stay in the U.S., the fulfillment of the military cooperation plan for 1996, the programme of military contacts and promising fields of cooperation between the Armed Forces of Belarus and the U.S. were considered.

Members of the Belarusian delegation visited a number of higher military schools of the U.S. Army and the National Guard, including the National Training Center in California, the Land Forces Commanding Staff College, the Training Center of the Tank Forces, the Academy of Sergeant Staff and the National Guard Headquarters of Utah. According to the military cooperation plan, U.S. Secretary of Defense William Perry is expected to pay an official visit to Belarus in October this year. During the visit a military cooperation plan for 1997 is to be endorsed. The exact date of the visit is yet to be specified.

Belarus: U.S., German Military Delegations Arrive in Minsk

WS3107091196 Minsk BELAPAN in English 0658 GMT 31 Jul 96

[FBIS Transcribed Text] Minsk, 30 July — Two military delegations arrived in Minsk on July 29. One of them represents the Marshall Centre for Security Research and consists of officers of the U.S. National Guard and the German Ministry of Defence. [as received] The delegation will conduct a conference on the subject "The Role, the Organisation of the Stucture and the Functions of the U.S. National Guard and the Reserve Contingent in Peace Time and Conflict Situations." The other delegation consists of officers of the German Defence Ministry's personnel department. During talks with the Belarusian party questions concerning planning and cooperation between Belarusian and German military personnel bodies and the exchange of experience will be considered. The delegation will visit the Belarusian Military Academy and some military units. The visit will last until August 2.

Belarus: Official on Alleged CIA Plot, Talks With Opposition

WS3007113896 Minsk BTK Television Network in Belarusian 1700 GMT 28 Jul 96

["Exclusive" interview with Belarusian Presidential Administration Chief Mikhail Myasnikovich by unidentified reporter on 27 July; place not given — recorded; in Russian]

[FBIS Translated Text] [Reporter] In an interview for the "Rezanans" program, the Belarusian Presidential Administration chief analyzed the current political and economic situation in the Republic.

[Myasnikovich] An official visit to Turkey by Belarusian President Alyaksandr Ryhoravich Lukashenka has ended. Very serious agreements have been reached, and this certainly enhances our prestige in the world and will contribute to the economic development of our state.

Last week both the government and the administration very seriously tackled the issue of developing measures for implementing the agreements reached during an official visit to France by our President Alyaksandr Ryhoravich Lukashenka.

I would also note the fact that on 22-23 July we received a delegation of the Russian Federation government led by Russian Deputy Prime Minister Alekseyevich Bolshakov. We discussed an entire range

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of issues concerning the Community [of Sovereign Republics] and the improvement of our trade and economic relations. We discussed programs concerning production of tractors and vehicles, electronics, agriculture, and tax policy, particularly issues concerning the 1997 budget. We discussed methods of making our trade relations more attractive, and what we should do in order to sell Belarusian products on the Russian market and vice versa, so that we have a parity in trade relations.

As a matter of fact, this is the answer to those who are deluding the people by saying that nobody receives us, knows about us, or wants to have anything to do with us. This is simply a delusion on the part of certain politicians, and I think that they are deluding common people. We are being reckoned with, our opinions are being listened to, and our state and president are recognized all over the world.

[Reporter] What about Viktor Ilyukhin's statement [on alleged CIA plot to topple Lukashenka]? What is your opinion on the probability plausability of the statement made by the Russian Duma committee chairman?

[Myasnikovich] In general, as a citizen and official, I am personally indignant over this statement. I think that even if certain facts did occur and someone learned about them, it would have been more correct to report them to the Republic's leadership in an operational manner. On the other hand, I totally reject this scandalous popularity or publicity, so to speak. I think that we are a solid state and a proud people, and we should go down in world history for certain good events and actions, and not for scandals.

As for... [changes thought] People sometimes say they have learnt something. But where are the sources? Proceeding from the information I have — and it is quite solid information — the Republic has nothing to do with these statements. The problem is that both abroad and in our country there are many people who cannot put up with the fact that bloodshed or religious battles do not exist in our country, and that we are not looking for enemies in our homeland. All this is being exacerbated by opposition forces both in our country and abroad. I know that the president has instructed appropriate people in our state, and they will analyze this information. If needed they will present appropriate reports in the media.

[Reporter] Additionally, the administration chief expressed his opinion on the recent idea of holding a so-called roundtable of Belarusian political parties. In the opinion of the organizers, our president's participation in it is essential.

[Myasnikovich] No matter how paradoxical it may seem, right- and left-wingers, the Communists, the Popular Front, and the Social Democrats have gathered and issued an appeal to the president: Mr. President, because everything is incorrect, come to us and tell us how we will live. However, let us look what our political parties and the Supreme Soviet have done for the people. What ideas and programmatic goals — which parties and factions have been constantly talking about — have they achieved in the form of laws? What have they done for the common people, industry, the agricultural sector, our culture, and education? The tragedy is that they have done virtually nothing: six laws and 98 meetings during six months.

I believe there is nothing wrong with the idea of holding the roundtable itself. Another question is what goals are the leaders of political parties pursuing with the idea of holding the roundtable. Because the Supreme Soviet's session has ended, let us move from the Oval Room to a roundtable. They have done little or nothing in the Supreme Soviet and in their parties. Because one has to bear the responsibility before the people and rank-and-file party members, let us summon the president. Let him and the government speak, and it will seem that we have participated in all these processes.

There are actually topics for discussion. In August, the president will make a final decision concerning an economic program for our state's development in the second half of this year and 1997. We must already begin drafting the budget and a forecast for socioeconomic development. There are four groups of experts who are developing them, including people from nonstate organizations — and we are sometimes criticized for listening to only one side — and who have virtually accomplished their work. Naturally, the people will be informed about this work. Most likely, we will have to hold a nationwide referendum on principal issues, including economic policy.

I would simply like to ask these leaders and petty politicians not to hamper the president and the government. There is a lot of work, and we do not have the time to be distracted by what appears to be an attractive thing.

Belarus: Lukashenka on Results of Turkey Visit

WS3007141996 Minsk BTK Television Network in Belarusian 1700 GMT 28 Jul 96

[Interview with Belarusian President Alyaksandr Lukashenka, by Yuryy Shamshur, in Minsk on 26 July; in Russian — recorded]

[FBIS Translated Excerpt] [Lukashenka] Turkey has traditionally maintained very good relations with the So-

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viet Union and its former republics which are now independent states. To lose those relations would be inadmissible not only for the Caucasian states but also for our Slav states. This was the major reason which prompted my visit to Turkey, which had been planned long ago. You see, as a result of numerous visits, I realized that it is very important for a president to visit foreign states and to meet directly with representatives of business circles and of big businesses, given that the West — in light of its mentality — wants guarantees from the top official. If a president makes commitments, businessmen believe THEM and certain progress can be made. France made a lot of economic commitments to Belarus during our visit [to Paris], and these commitments are currently being implemented. We also signed a number of medium-level contracts. Meanwhile in Turkey, we obtained more than promises and commitments. We obtained specific results. Those include the $20-million credit issued to Belarus by the Exim Bank as a result of negotiations held by Nadzezhda Yermakova, and commitments made by Turkish President Demirel after the official dinner in Ankara. He told me: Use this credit. As soon as you have used it, we will definitely find an opportunity to open additional credit lines for Belarus. We are ready to open another credit line and support your economy.

When one meets Western delegations and leaders, they hold very intensive discussions immediately after meetings. They make analyses and draw certain conclusions. Obviously, the same thing happened in Turkey. Demirel reached me over a cellular phone before my departure to the airport and we talked. He said: I am very happy over the meeting. I believe that we should meet more often. I will be very glad to come to Minsk and to discuss a number of issues which we outlined during the Belarusian delegation's visit to Turkey.

I think that this gesture is very indicative. Therefore, I would like to state definitely that we did not simply initiate a high- level contact; we achieved very good mutual understanding between the heads of two states — Turkey and Belarus.

Let me cite some of my notes. While Belarus is in the center of Europe, Turkey is the center of the planet. The Near East knot — from Istanbul to the Near East — is indeed the center of the planet. The Russian consul in Turkey told me today that politics and economy are cooked in this kitchen. Those are his words. Why was Belarus absent in this region? If we are an independent sovereign state, we must be represented there. We do not have to have 200 or 50 people in our embassy, but our state must be represented at the navel of our planet. I have just told the conference of government officials and delegation members that we have decided to open our embassy and trade mission in Turkey. We must penetrate that region, particularly since we export many products there.

You probably know that during a conversation with Turkish Prime Minister Erbakan, we agreed to initiate wholesale trade. Mostly small traders ship products from Turkey to Belarus and sell them here. However, this trade should be put onto a civilized track. We reached an agreement about wholesale trade, in line with which Turkey will supply Belarus with large shipments of cheap consumer goods.

Speaking about the political aspect, in conceptual terms it seemed quite good. My one-on-one negotiations with Demirel started with a discussion of security of the citizens of both states. The Turkish side asked us to protect their citizens against Kurd terrorists on the territory of Belarus. I told then that it makes no difference to us whether Kurds, Belarusians, or Russians who make terrorist attacks on Turkish citizens on Belarusian territory. We are going to react adequately. This met with understanding on the Turkish part. We then proceeded to discuss global and European security. It was Suleyman Demirel who initiated the discussion. I have already told you that Demirel and Jacques Chirac have a peculiar viewpoint on European security. I find this viewpoint very attractive, and I strongly support it. I expressed my own opinion about the attitude of the Belarusian people and leadership toward attempts to expand NATO and to move it closer to the borders of the Republic of Belarus. Demirel's absolute support of my opinion was more than I expected. While Chirac had said that NATO should be reformed and that by all means we should avoid opposition between blocs in Europe, Demirel's stance was even more pragmatic. Demirel said: We have paid a high price for opposition between blocs in Europe, and we must avoid damaging Russia's, Belarus', and Ukraine's interests as a result of NATO's eastward expansion. We should find common interests.

I explained my initiative to create a nuclear-free zone in Central and East Europe. I think that this is the subject for a separate conversation, and we will probably resume the discussion of this problem, given that there are internal disagreements on the issue of a [nuclear-free] declaration. This initiative is valuable because it was put forward at the right time. You remember that it was put forward when the former socialist states began to declare that they were ready to deploy nuclear arms on their territories after admission to NATO. Moreover, there also was speculation to the effect that Belarus did not want to redeploy nuclear arms from its territory to Russia. Therefore, I suggested: Let us renounce nuclear arms altogether, create a [nuclear-

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free] belt in Central and East Europe, and undertake commitments not to deploy nuclear arms in that region. The Turkish president and leadership were presented with this Belarusian initiative, and I told them what prompted it.

Demirel then told me about his attitude toward NATO and toward opposition between blocs. I realized there and then how we should cherish and protect peace and avoid conflicts in our society.

[Shamshur] What part of Turkey's economic experience can be used in Belarus, and the other way around? My second question is: Can you specify the statement by a Turkish businessman who said that Turkey is Belarus' reliable partner and can help Belarus gain access to the southern seas?

[Lukashenka] We can borrow a lot from Turkey's experience. Why? Because in 1980, Turkey started a very intensive advance. Belarus is advancing slowly, which is my policy, because we do not want to hurt our people. I realize that reform can be carried out within five years, which may ruin people's lives. It can also be carried out within 15-20 years. However, when the reform process is slow, one has time to stop and think. Turkey launched reform in 1980 and its reform was much faster than in Belarus. At the same time, they did not launch a landslide reform, as was the case in many post-Soviet republics. This part of Turkey's experience is very important to us. Turkey's economy is being transformed from a state-run economy to private, joint stock, and so on. They are living through the same period — although they are ahead of us — which Belarus has approached. Therefore, the issues of reform and privatization are very important to me, and I was glad to hear that the Turkish president and prime minister understand and support what is going on in Belarus. They agree that we should not rush; every step must be well-considered, accurate, and calculated.

As for access to the southern seas, I have mentioned on purpose that we are going to open a trade mission in Turkey. Turkish businessmen directly pledged their support, saying that they can resell Belarusian products to third countries. I believe that we can reach agreements on supplies, as well. My conversation with the Russian consul gives rise to optimism. He knows Turkey very well and is also rendering us economic assistance. It would be very important for our state to obtain a reliable source of cotton supplies. [passage omitted]

Belarus: President Condemns Government; 'Major Shake Up' Possible

LD3007124896 Moscow INTERFAX in English 1229 GMT 30 Jul 96

[FBIS Transcribed Text] MINSK, July 30 (Interfax-West) — Belarus President Alyaksandr Lukashenka is deeply concerned with the country's poor economic performance and mounting social tension, blaming the current government for failing to turn the situation around.

"The economy has been in a free fall for the past six years," Lukashenka told a joint session of government and security council members in Minsk on Tuesday. He said two years was enough to pass judgment on the Cabinet's ability to run the economy.

The president made it clear the Cabinet could no longer refer to the previous government's economic mismanagement as an excuse for its own failures.

He said social tension was at an all time high.

Journalists were told to leave the conference hall after Lukashenka's brief opening speech to the session. Private discussion focused on the country's economic showing in the first half of 1996 and fleshing out economic policy guidelines.

Government and presidential analysts do not rule out Lukashenka may announce a major shake up after the meeting.

Belarus: Lukashenka Accepts Resignations of Deputy Premier, Minister

LD3007153896 Moscow INTERFAX in English 1322 GMT 30 Jul 96

[FBIS Transcribed Text] MINSK, July 30 (Interfax-West) — Belarussian President Alyaksandr Lukashenka on Tuesday [30 July] accepted the resignation offered by Leanid Sinitsyn, deputy prime minister in charge of foreign economic relations, and Georgiy Badzey, economics minister who had supra-ministerial powers under a special presidential decree.

The resignations were accepted during a joint session between the government and the Belarussian Security Council that was held behind closed doors and was dedicated to the results of the country's economic performance during the first half of 1996 and the economic policy's guidelines.

Sinitsyn led Lukashenka's campaign headquarters in the Belarusian presidential elections two years ago. After Lukashenka was elected as Belarusian president, Sinitsyn was named presidential chief of staff.

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However, Sinitsyn was later named as deputy prime minister because of differences with Lukashenka that evolved several months ago.

Badzey was not part of "Lukashenka's team" before his victory in the presidential elections, experts say. Badzey was labor minister in the Belarusian government led by Vyacheslav Kebich until 1995.

Badzey told INTERFAX that his resignation was not motivated by political reasons. He said he had decided to resign because of the presidential administration's insufficient attention to the Economics Ministry's initiatives.

"For instance, the program concerning Belarus' economic development for the period until the year 2000 was submitted for consideration by the presidential administration as early as in October 1995," he said, adding that the program had so far gone unnoticed.

A package of draft laws determining a new investment climate in Belarus was submitted for consideration before the presidential apparatus about six months ago, but the apparatus had not so far completed consideration of the bills, Badzey said.

Belarus: MP Denies Supreme Soviet's Hand in Government Resignations

LD3007182196 Moscow INTERFAX in English 1804 GMT 30 Jul 96

[FBIS Transcribed Text] MINSK, July 30 (Interfax-West) — The Belarussian parliament has nothing to do with the current resignations in the government, Belarussian Parliamentary Deputy Chairman Gennadiy Karpenko told INTERFAX on Tuesday [30 July] with regard to the decision of three deputy prime ministers, Leanid Sinitsyn, Vasil Dalhalyow and Syarhey Linh, and Economics Minister Georgiy Badzey to offer their resignation.

"This is merely a showdown within the executive power," Karpenko said.

"Furthermore, just two months ago the MPs met the president's desire to see the above mentioned specialists in the government's leadership and approved their appointment as deputy prime ministers," he said.

Belarussian President Alyaksandr Lukashenka accepted the resignation offered by Badzey and Sinitsyn during the joint session between the government and the Belarussian Security Council on Tuesday, a high-ranking source in the presidential administration told INTERFAX on condition of anonymity.

The resignation of another two government members remains under question, the same source said.

Karpenko said he did not see the accepted resignations as "the president's concessions to the opposition which proposed in late June that no-confidence be voted in the present Cabinet."

The deputy prime ministers have decided "to leave the government on time" because of "the problems currently facing the national economy," Karpenko said, adding that the economic problems "threaten to become chronic by the fall."

Belarus: SupSov Official on Conflict With Lukashenka

WS3007123396 Minsk SVABODA in Belarusian 26 Jul 96 p 3

[Interview with Belarusian Supreme Soviet Deputy Chairman Henadz Karpenka by Vital Tsyhankow; place and date not given: "The Issue of Impeachment Is Being Discussed by Almost All People's Deputies"]

[FBIS Translated Text] [Tsyhankow] How would you assess the results of the first Supreme Soviet session? Did the parliament manage to carry out the main task of the legislative power — that of standing guard over the Constitution?

[Karpenka] First of all, I would like to underscore that the Supreme Soviet has taken on the initiative of discussing economic problems. The economy is currently the principal issue of our existence, and it should be resolved jointly with the executive authority. Unfortunately, I must admit that during its entire tenure the parliament has not received a single proposal from the executive power regarding economic laws. Neither did the president show up at the Supreme Soviet hearing on the concept of the economic development of Belarus.

Four concepts are currently being developed in Belarus. The first one is being drafted by the presidential structures, the second by the Cabinet of Ministers, the third by the National Bank, and the fourth has to be drafted by the Supreme Soviet. So far, attempts to develop a single concept and to form one general team for this purpose have been fruitless.

[Tsyhankow] I would like to hear your political assessment of the Supreme Soviet's activities. Has the parliament become a real legislative body; can it put an end to violations of the Constitution?

[Karpenka] For several months after the election, legislators were ready to work in accord with the president and his "hierarchy." Unfortunately, these goals and ideas were dashed by illogical activities, primarily on the part of the president. The president's attempts to initiate confrontation with the parliament are a link in

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the chain of his strategic policy. The former Supreme Soviet was "bad," the Constitutional Court is "bad," but the president is "good." All [former] power ministers were "good," but became "bad" later on and were removed from their posts. The current Supreme Soviet is the "worst" of all. The president now suggests forming a two-chamber parliament, but I am sure that within six months after its election it will be also deemed "bad" by the president.

This is only possible in Belarus, where the parliament has to pass laws — forgive me the pun — on the observance of laws. I am refering to the introduction of amendments and supplements to the Criminal Code and the Criminal Procedure Code, which stipulate that nonobservance of laws entails imprisonment of up to three years.

[Tsyhankow] Analysts are now trying to predict what may happen in the fall. How is the parliament going to react to Lukashenka's proposal to hold a referendum?

[Karpenka] It is clear to me what is going to happen in the fall. The economic situation will worsen and stories will be spread to the effect that "certain forces stand in our way and hamper our activities." The president often mentions my name. I am ready to make a deal and abstain from criticism of the president's activities for a year. If this is going to resolve our problems — then I am ready to do so.

[Tsyhankow] Under the condition that the president, too, will abstain from offensive remarks?

[Karpenka] I am no longer concerned about his remarks addressed to me. After Lukashenka's stories about cotton and Maladzechna [not further specified], as well as after what he has done to me and my family, nothing surprises me any longer. I do not believe this man; I do not believe that he is capable of apologizing.

How will legislators react to the fall events? They did not even think about opposing the president two or three months ago. However, now the impeachment issue is being discussed by almost all the deputies. Undoubtedly, much will depend on the standpoint of Supreme Soviet Chairman Syamyon Sharetski.

[Tsyhankow] I would like to ask you about Sharetski's unexpected evolution, which finally resulted in his sensational speech at the Supreme Soviet. There have been rumors about the "Russian influence" and about a "surge of emotions." Meanwhile, Lukashenka interpreted the speech as an ill-considered deed.

[Karpenko] It is clear that the speech was not prompted by a "Russian influence" or by a "surge of emotions." Syamyon Sharetski is a very experienced man, and he never makes resolute steps without thinking. Sharetski — more than any other deputy — had advocated the policy of avoiding harsh statements about the executive authority. In particular, he had asked me to abstain from emotional polemics. Syamyon Sharetski had analyzed all the recent events, and thus formed his current approach. However, it has nothing to do with a "surge of emotions." It was prompted by the president's attitude toward the legislature, which includes numerous insulting remarks about the Supreme Soviet and its deputies, as well as his boorish remarks about the legislators that make up the so-called "presidential team."

[Tsyhankow] In other words, you have confidence in Sharetski.

[Karpenka] I have no doubts that if the president continues his "line" of insulting and destroying the Supreme Soviet, Sharetski will retain the stance demonstrated in his recent speeches.

[Tsyhankow] Independence Day will be observed tomorrow. When were we closer to real independence within the last six years?

[Karpenka] Today we are farther from an [independent] Belarus. The current administration has no desire to make Belarus an independent state and to make Independence Day a genuine holiday.

[Tsyhankow] Do you not think that Lukashenka may undergo another political metamorphosis and become a great champion of sovereignty when this will be advantageous?

[Karpenko] I do not want to think about this political weather cock. His activities defy forecasts and common sense.

[Tsyhankow] Nevertheless, all his illogical activities are usually directed toward one goal — to win another victory and solidify his power. Proceeding from this, I would like to ask you my next question: Many representatives of democratic circles believe that you are the most promising democratic candidate for the next presidential election. However, your behavior at the Supreme Soviet is too calm, I would even say inert. You usually engage in economic lawmaking and pay almost no attention to creating your political image. Tell me, are you ready for the role of a candidate in presidential elections?

[Karpenko] The previous elections demonstrated that all democratic forces must nominate one candidate. If this person will be selected, I will work to support him, regardless of his name. I will make every effort to ensure his victory.

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As for my behavior at the Supreme Soviet.... Indeed, sometimes I feel bored by sitting at the presidium table and feel like going to microphone No. 2, from which I addressed the audience when I was an ordinary deputy of the former Supreme Soviet. However, you should understand that I chair too many plenary sessions and discussions on economic issues, and I believe that at the moment my principal task is to ensure a high level of legislative activities. At the same time, I take part in political activities beyond the Supreme Soviet walls, where I am not bound by my official duties. Finally, when I was appointed deputy chairman of the Supreme Soviet, I reached an agreement with Syamyon Sharetski that I would somewhat restrain my criticism and give the Supreme Soviet an opportunity to realize, without anybody's help, what is going on in our state.

[Tsyhankow] Certain politicians currently claim that it would serve Russia's interests if more predictable politicians were at the helm of Belarus's policy. There are opinions that Russia may be dissatisfied with Lukashenka's activities.

[Karpenka] Under Lukashenka's presidency Russia has gained tangible economic advantages. Russia can also dictate its political terms to Belarus. Statements about the "zero option," integration, and the like, in essence remain nothing more than statements. In reality, Russia is making steps to secure its interests. I do not want you to associate the following statement with any specific politician, but I have been recently using it a lot: "It is better to lose with a wise man that to gain with a fool."

Belarus: Two Opposition Party Leaders Apply for Asylum in U.S.

LD3107085396 Moscow ITAR-TASS in English 0800 GMT 31 Jul 96

[By Andrey Losbchilin]

[FBIS Transcribed Text] WASHINGTON, July 31 (Itar-Tass) — Leader of the Belarusian opposition party Popular Front Zenon Poznyak and his assistant Sergey Naumchik on Tuesday applied to the United States for political asylum.

Speaking at a press-conference at Capitol, they said that there was a threat to their lives since Belarusian President Alyaksandr Lukashenka had ordered to "neutralise" them.

Poznyak and Naumchik called on U.S. lawmakers to hold hearings on human rights violations in Belarus. They insisted that the congress should "block" the 13-million-dollar aid which the U.S. Administration was planning to provide to Minsk in 1997.

The two asylum seekers declined to answer reporters what they planned to do in the United States if they were granted political asylum. Poznyak only said he was ready to lead "a very simple life." According to Naumchik, any fate in the United States was better than "life imprisonment or a prospect of being thrown into a sewer hatch."

Poznyak and his assistant left Belarus for Poland last April for "a forced emigration." At the press-conference at the congress they said they had been in the United States since July 7.

The Belarusian authorities have repeatedly stated that neither Poznyak nor Naumchik were subjected to any persecution in their native land.

Belarus: Lukashenka To Take Tough Steps To Stabilize Situation

LD3107102796 Moscow ITAR-TASS in English 0909 GMT 31 Jul 96

[By Andrey Fomin]

[FBIS Transcribed Text] MINSK, July 31 (Itar-Tass) — Belarusian President Alyaksandr Lukashenka, at a joint meeting of the country's cabinet and Security Council, instructed the country's supreme power bodies to submit by August 15 a programme for primary measures to rectify the economy in the second half of 1996 and a concept for social and economic development in 1997.

Lukashenka also accepted resignations of Vice-Premier Leanid Sinitsyn and Economics Minister Georgiy Badzey.

"We have nowhere to retreate," Lukashenka said, commenting on the situation in the country which is faced with a growing number of unprifitable enterprises, insufficient revenues for the treasury, a remaining burden of the external debt and growing unimployment.

The president is also planning to sign a decree in the next few days on stabilisation of the political situation and prevention of unlawful, antistate and antipresident activities in the country. The Security Council, the Interior Ministry, the Prosecutor General and the Supreme Court were instructed to work out an appropriate document.

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Tajikistan

Tajikistan: UN Observer Groups Recalled to Dushanbe From Tavil-Dara

LD3007133496 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 30 Jul 96

[FBIS Translated Excerpt] Another important event of the last week has been the UN's attempts to set up observer posts in Tavil-Dara [central Tajikistan]. [passage omitted]

The UN observers were given permission and authority to set up two permanent observer posts between the two positions, that is between the positions of the mojahedin of the Islamic Movement of Tajikistan and the Dushanbe regime's army, and to supervise the observance of the cease-fire.

However, all attempts by the UN representatives have been in vain for the last eight days, though they have done their utmost. A group of observers was to have entered Tavil-Dara through Garm [northeast of Dushanbe], by way of Labijar, but they were stopped by the government forces in Garm on the pretext that the roads were mined and were not permitted to go to Tavil-Dara. A second group, which was to go Tavil-Dara from Moskovskiy [south Tajikistan], through Khovaling and the Karanak pass, were also stopped by the regime's forces in the Khovaling area and were not allowed to visit Tavil-Dara. They have been on the road for eight days.

Dietrich Merrem, the UN secretary general's special envoy to Tajikistan, finally ordered them to return to Dushanbe yesterday. The group that was in Garm is now in Dushanbe, according to a report we received, and it has been decided that the Khovaling group will also be there today. The UN and all other observer countries involved in Tajikistan's problem and which have representatives in the Tajik talks and the process of events in Tajikistan are of [words indistinct] importance for them [words indistinct]. It [Dushanbe government] did not create conditions for forces to get to Tavil-Dara and it was the regime that created various obstacles to prevent the observers' access to the conflict zone and prevent them seeing with their own eyes who is stationed in which area. When the government is claiming that the district center of Tavil-Dara is under its control and is carrying out fierce ground and air attacks with the direct support of the Russian forces to take the district center of Tavil-Dara and (?several other areas) and then permit the observers to the area [passage omitted including indistinct portion].

Tajikistan: Rebels Set Terms for Moscow Summit

LD3007171096 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 30 Jul 96

[FBIS Translated Excerpt] We shall now consider the political issues of the last week. The main important political event of last week was the meeting of Sayed Abdullo Nuri, leader of the Islamic Movement of Tajikistan and the United Tajik opposition, with Yevgeniy Mikhaylov, special representative of the Russian President in Tajikistan, in Afghanistan.

The aim of holding this meeting was to consider the state of the Tajik question and to achieve national agreement by peaceful means. Unfortunately, the representative of Russia exerted much of his efforts in this meeting at attempting to convince the professor [Sayed Abdullo Nuri] to meet the president of the Dushanbe regime [Tajik President Emomali] Rakhmanov in Moscow.

As the professor (?set out) the position of the Islamic Movement of Tajikistan and the United Tajik Opposition concerning the peaceful settlement of the Tajik issue, the matter is as follows: a council of national reconciliation should be created with the equal participation of representatives of both sides. As a coalition government is the main issue of mutual political agreement, the professor is prepared to meet the president of the regime only for the sake of signing an agreement of national reconciliation.

As to whether the meeting should be held in Moscow, the professor noted that Russia is a supporter of conflict in the Tajik question, and Russian military forces are directly taking part in the Khoburabot [pass in Darvoz District] [words indistinct]. The Rakhmanov regime has not taken any measures yet to allow the UN military observers strictly to observe the cease-fire and only (?tries) to gain political authority. Therefore, it is supposed that it is unlikely that this meeting will be held in Moscow.

We remind you that Professor Sayed Abdullo Nuri is due to meet President Rakhmanov in Moscow on 28 August this year, and this meeting is linked to two conditions.

The professor noted that the first condition is if first Moscow can put pressure on the Dushanbe regime and convince it to observe the cease-fire agreement fully. Second, the professor is prepared to meet Rakhmanov in Moscow only to sign a final document when this political issue and a mutual agreement for national reconciliation are ready to be signed. [passage omitted]

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Azerbaijan

Azerbaijan: Aliyev Confirms Cooperation With Foreign Oil Companies

LD2907183696 Moscow INTERFAX in English 1543 GMT 29 Jul 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] President Geydar Aliyev has confirmed the policy of the Azerbaijani leadership to draw foreign companies to Caspian oil projects.

"We are not building any barriers in this road," he said at a Baku meeting with Pennzoil President Tom Hamilton.

On the recent decision of the U.S. oil corporation to sell its 5 percent share in a giant off-shore oil project to Itochu (Japan) Aliyev said the reaction in his country was mixed. "Some regarded it as an exodus by U.S. companies," he said. However, he praised the operation of Pennzoil in Azerbaijan in general.

Hamilton assured Aliyev that the decision of the Pennzoil board was prompted not only by economic considerations but the intention to draw a world giant to the local market. He also said the official documents concerning the share surrender will be ready in a few days.

Azerbaijan: Free Trade Agreement Initialled With Kazakhstan

LD2907142096 Moscow INTERFAX in English 1239 GMT 29 Jul 96

[FBIS Transcribed Text] BAKU, July 29 (Interfax) — Azerbaijan and Kazakhstan have initialled a free trade agreement, a source in the Azerbaijani Foreign Ministry told Interfax Monday.

The agreement was initialled in the course of a visit by a team of Kazakh experts to Baku at the end of last week, the source said. They stayed in the Azerbaijani capital to set the scene for the visit there by Kazakh President Nursultan Nazarbayev, tentatively scheduled for mid-September.

The agreement draft reflects the growing strength of the links between the two countries, he said.

The volume of trade between the two countries has increased from $10.7 million to $17 million a month over the last four months, the source said.

Azerbaijan supplies Kazakhstan with grain and flour in exchange for greases, household chemicals goods and pipe laying equipment.

The draft covers the taxation, trade tariffs and free transit of goods, the source said.

Azerbaijan: Officials Express Concern Over Azeri Arrests in Russia

NC3007140896 Baku TURAN in English 0703 GMT 30 Jul 96

[FBIS Transcribed Text] BAKU/29.07.96/TURAN: Due to recent arrests and detention of Azeris by Moscow's law-enforcement bodies, first vice-premier of Azerbaijan, Abbas Abbasov, and ambassador of Azerbaijan to Russia, Ramiz Rizayev, have met with vice-premier, Aleksey Bolshakov, and Minister of National Policy of Russia, Vyacheslav Mikhailov. During the meeting Azeri representatives said they are concerned over latest events aimed against their fellow-citizens, the press-service of Presidential staff reports.

After the meeting President Aliyev had a telephone conversation with Aleksey Bolshakov and Russian vice-premier told Geydar Aliyev that operations conducted by Russian law-enforcement bodies are not aimed against Azeris. Bolshakov said Russia will never let preconception against Azeris. He also added that due to concern of Azerbaijan, Russia's Ministry of Interior and heads of Moscow's law-enforcement bodies have been instructed to conduct appropriate operations in this direction, the press-service reports.

Harassment of Azeris started a week ago when Moscow's authorities under pretext of struggle against criminality started to drive people of Caucasian origin out of Moscow. Approximately 10,000 people with 4,000 of them Azeris have been detained. Russian law-enforcement actually robbed the detainees. All detainees have been beaten, some of them have been taken to hospital and passports of many of them have been taken away.

The representatives of Azerbaijan's opposition parties have expressed their indignation at activities of Russian authorities and accused official Baku of unwillingness to protect the rights of its fellow-citizens abroad.

Georgia

Georgia: Tbilisi, Tehran Discuss Economic Cooperation

AU3107104696 Tbilisi REZONANSI in Georgian 25 Jul 96 pp 1, 2

[Report by Lika Masilia: "Iran Is Waiting For the Railroad To Be Restored in Georgia"]

[FBIS Translated Text] "Georgia is expecting political support from Iran in the Georgia-Abkhazia conflict," said [Foreign Minister Irakli] Menagharishvili at a press conference on 24 July. He pointed out that during his meeting with the president of the Islamic Republic of

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Iran, Hashemi-Rafsanjani had expressed a lively interest in the settlement of conflicts in the Caucasus and again expressed the belief that the Abkhazia conflict should be resolved within the framework of Georgia's territorial integrity, using peaceful political methods, particularly as such methods would suit and speed up the restoration of railway lines on the Iran-Armenia-Georgia-Russia route and revive road communication in general along the Black Sea coastline.

Asked whether such a rapprochement with Iran would irritate the West, Irakli Menagharishvili replied: "Our relations with Iran have a historic foundation and, in addition, a peaceful economic form of cooperation that has been completely shaped out." "The potential regarding Iranian-Georgian economic relations has still not been utilized," pointed out Iranian President Hashemi-Rafsanjani with chagrin during his meeting with Menagharishvili.

"Iran is one of the biggest states in the region and, with its economic potential, represents a force not only in the region but also on the world scale," stated Irakli Menagharishvili. During a visit to Iran, the Georgian side expressed the wish to be granted observer status within the Economic Cooperation Organization of Asian countries [ECO]. This question will be discussed in the near future at ECO's headquarters in Tehran.

Georgia, as one of the founders of the Black Sea Economic Cooperation [BSEC], proposed to the Iranian side that regional cooperation should be brought to a new stage — the organization of a forum of BSEC and ECO representatives and the determination of priorities of cooperation between countries of the Black Sea and Caspian Sea basins.

Iran proposed cooperation with Georgia on the island of Qeshm in the Persian Gulf, which Iran is developing as a free economic zone. It was decided that the Georgian Ministry of Foreign Affairs would choose the appropriate structures from among Georgia's business circles to work in this economic zone.

During the visit, an agreement was adopted on rescheduling Georgia's $12.5 million debt to Iran. The project concerning the rehabilitation of the Zhinvali hydroelectric power station is dependent upon a decision by the Georgian side. It has already been devised by experts. In the regional power engineering complex, they also discussed the restoration of the electricity supply line in the Iran-Armenia-Georgia direction. The shipment of Turkmen gas to Europe and Ukraine via Iran, Armenia, and Georgia was discussed. It was said that the Georgian authorities view this issue positively. A Georgian-Iranian joint commission will set about devising this project in detail.

In response to a journalist's question as to whether any mention had been made of Iran's special services stepping up their activities in Georgia (about which [Security Minister] Shota Kviraia had informed the public several days earlier), Irakli Menagharishvili said that Georgia was a place where the interests of many countries coincided and, as such, it could not be excluded that they had many things to divide up among themselves. "However," pointed out Menagharishvili, "this does not mean that the Georgian authorities are unable to control the situation." The minister said with regret that "Georgia's security services, and this mainly concerns the technical sphere, cannot meet the demands facing the security services of countries located in a complex region such as ours."

Georgia: Security Chief: Six Foreign Agents Caught This Year

AU3007120996 Tbilisi REZONANSI in Georgian 23 Jul 96 p 1

[IBERIA report: "Six Staffers of Foreign Special Services Have Been Exposed"]

[FBIS Translated Text] According to information supplied by Georgian Security Minister Shota Kviraia, the Security Service has exposed six people working for the special services of foreign countries this year. He stated that 87 officers had been dismissed from the ranks of the Security Service.

Shota Kviraia also said that in Samtske-Javakheti the Security Service had exposed public organizations with an anti-Georgian orientation that were not registered and that had been spreading anti-Georgian propaganda in Akhalkalaki and Ninotsminda rayons. According to him, Muslim states had significantly stepped up Islamic propaganda in Georgia.

Georgia: Opposition Leader Comments on Weapons Deal With Russia

LD3107104996 Moscow INTERFAX in English 0954 GMT 31 Jul 96

[FBIS Transcribed Text] TBILISI, July 31 (Interfax) — The Georgian authorities say it is still too early to make public the details of a military cooperation agreement with Russia signed by Georgian and Russian Defense chiefs Vardiko Nadibaidze and Igor Rodionov in Moscow last week.

The main provisions of the deal are still to be agreed by the political leadership on both sides, the press office of the Defense Ministry and other Georgian officials told Interfax in Tbilisi on Wednesday.

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In the meantime, Nodar Natadze, head of the opposition United Republican Party, claims he is familiar with the contents of the agreement.

Moscow is committed to help man the Georgian army in exchange for a handover to Russia of Tbilisi's quota of heavy weapons envisaged by the Conventional Forces in Europe agreement (CFE), he told Interfax.

Natadze said Georgia was expected to hand 115 out of its quota of 220 tanks to Russia. "Similar decisions are to be taken in respect of army vehicles and artillery pieces," he said.

He says if the government approves the deal, this will amount to a sellout of Georgia's national interests. Natadze has no doubt Russia will honor its obligations on manning the Georgian army, but will transfer a fixed amount of weapons, just enough for Georgia to start and lose a military operation.

He said that the U.S. Congress lifted an arms embargo on five countries, including Georgia, several days ago. This means Georgia now has alternative sources of army supply for filling its quota, Natadze said. "In these conditions, any claim that the national army could be created with Russian help alone is both misguided and criminal," he said.

Georgia: Opposition Party Says It's Barred From Elections

LD3007201296 Tbilisi BGI in Russian 1500 GMT 30 Jul 96

[FBIS Translated Excerpt] The leaders of the Round Table-Free Georgia union of political parties and organizations held a news conference today. A BGI correspondent has this report:

Tengiz Kikacheishvili, deputy speaker of the union, read out a statement. The statement says that the Georgian government is trying to block the way to Round Table-Free Georgia to participate in the elections to the Supreme Council of Ajaria set for September. The Georgian Government is doing everything to bar the union from the political battle and to present it to the public as a terrorist organization.

Mass repressions have been carried out against the union and its supporters since 1992. Offices and bank accounts of all organizations constituting the Round Table-Free Georgia union have been abolished.

In order to participate in the elections to the political organization [Supreme Council of Ajaria], it is necessary to be registered at the Georgian Justice Ministry. In Tengiz Kikacheishvili's words, Round Table-Free Georgia registered in the autumn of 1991 but the Justice Ministry has been postponing the issuing of the relevant document.

We are calling on the world public and the population of Georgia to support us in our legal demands, Kikacheishvili declared.

Vakhtang Tsagareishvili, a member of the board of the Ilia the Righteous organization, made a statement. It says that Round Table-Free Georgia has repeatedly stated that mass repressions were being prepared against the supporters of the legal government of Georgia [former President Zviad Gamsakhurdia and his government]. [passage omitted]

In connection with this, the Round Table-Free Georgia union declares the following:

1. We demand that the persecution of the supporters of the legal government of Georgia be stopped and political prisoners be released;

2. We call on the countries of the world and their governments to condemn Eduard Shevardnadze's illegal regime;

3. We are being threatened precisely because we represent a political force, which [the Georgian government] is trying to eliminate physically.

[passage omitted]

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Estonia

Estonia: Defense Minister Notes Outstanding Israeli Arms Consignment

LD2907173596 Tallinn Radio Tallinn Network in Estonian 1300 GMT 29 Jul 96

[FBIS Translated Text] The Ministry of Defense plans to receive the last consignment of arms from Israel in November, under the contract concluded with Taas Israel Industries Ltd. three years ago. Defense Minister Andrus Oovel noted that there are still two consignments outstanding, in August and November. According to the minister, the last deliveries of arms are meant to supplement the shortfall resulting from previous consignments. Oovel said that all 50 Israeli 23 mm anti-aircraft cannons will be supplied in the course of this year to replace the used ones delivered in 1993. Oovel said that the anti-aircraft cannons supplied will be completely new, ready to use, and have been manufactured in Israel. According to Oovel, the Defense Forces will be able to use the 23 mm Russian cannons supplied by Israel in 1993 for training purposes.

Estonia: U.S. Military Exercise Under Way Near Uulu

LD3007132296 Tallinn Radio Tallinn Network in Estonian 1200 GMT 30 Jul 96

[FBIS Translated Excerpt] A group of U.S. special troops is carrying out an exercise today near Uulu [on southwestern Estonian coast]. Here is Captain Hannes Toomsalu of the Defense Forces operational department with details.

[Begin Toomsalu recording] This concrete exercise is included in the bilateral Estonian-U.S. military plan. This is the third and last week [for the U.S. in Estonia]. It was training throughout the first two weeks, and during this last week, in the course of the exercise, it will be checked as to how much use the training has been.

The team from the United States are the green berets. This company's area of responsibility is predominantly Eastern E[illegible]s. [passage omitted] The aim is of course that by 199[illegible] the Estonian Defense Forces must be ready to join NATO if one can put it like this, but this is of course major work and means that we have to learn to work the same way as they do. We must understand each other. That is, any Estonian unit when it goes anywhere must be able to work in either a peacekeeping operation or some kind of military operation together with any one NATO unit, and this of course amounts to a lot of work. [passage omitted] [end recording]

Estonia: Government Proposes President Be Elected 26 Aug

LD3007164096 Moscow INTERFAX in English 1432 GMT 30 Jul 96

[FBIS Transcribed Text] TALLINN, July 30 (Interfax) — The Estonian government has proposed Tuesday that parliament hold an extraordinary session on August 26 to elect the president of the country.

The elections will be held in connection with the end of the office term of incumbent Estonian President Lennart Meri, Estonian Prime Minister Tiit Vahi told a news conference in Tallinn.

Under the electoral law, Estonian presidents are elected by parliament. For the president to be elected, 68 of the 101 deputies must vote for his candidacy. If none of the contenders gets the required number of votes, the issue is resolved by an electoral college including parliament members and 250 local representatives.

The incumbent president and Deputy Parliament Chairman Arnold Ruutel are considered the most likely candidates for the post now.

The government also proposed that the parliament hold another extraordinary session on August 15, said Vahi.

The session would discuss ratification of a treaty on the sea border between Estonia and Latvia and a treaty between Estonia, Latvia and Lithuania on free trade in agricultural goods.

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